

# Phoenix Technologies Holdings Limited

Directors' report and consolidated financial  
statements

**For the year ended 31 December 2024**

***Registered number: 676279***

# Phoenix Technologies Holdings Limited

## Directors' report and consolidated financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2
Statement of directors' responsibilities in respect of the directors' report and the financial statements	7
Independent auditor's report to the directors on the financial statements of Phoenix Technologies Holdings Limited	8
Consolidated income statement	11
Consolidated statement of other comprehensive income	12
Consolidated balance sheet	13
Company balance sheet	15
Consolidated statement of changes in equity	16
Company statement of changes in equity	17
Consolidated statement of cashflows	18
Notes forming part of the consolidated financial statements	19

# Phoenix Technologies Holdings Limited

## Directors and other information

<b>Directors</b>	Kevin Cooney Jonathan O Connell Gerard Moore Dwight Huang Barry Devereux Janine Freeman (Appointed 19 December 2024)
<b>Secretary</b>	HMP Secretarial Limited
<b>Registered office</b>	Riverside One Sir John Rogerson's Quay Dublin 2
<b>Auditor</b>	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
<b>Bankers</b>	HSBC Continental Europe, Ireland, Commercial Banking Department 1 Grand Canal Square, Grand Canal Harbour
<b>Solicitors</b>	McCann FitzGerald LLP Riverside One, Sir John Rogerson's Quay, Dublin 2
<b>Company number</b>	676279

# Phoenix Technologies Holdings Limited

## Directors' report

The directors present their directors report and audited consolidated financial statements of Phoenix Technologies Holdings Limited and its subsidiaries ("the Group" or "Phoenix") for the year ended 31 December 2024.

### Principal activity, review of the development of the business

#### Overview

Phoenix is a leading independent international firmware supplier for computing devices, including laptops and embedded systems. Firmware is the software that connects the device's microchips to the operating system. The business designs and develops secure firmware for a wide range of computing devices, servers and used its market leading experience and expertise to develop FirmGuard, a firmware cybersecurity product for enterprises.

Phoenix has two complementary business lines: (1) its core client business which includes developing firmware for PCs, embedded devices and servers, and (2) its SaaS based enterprise cybersecurity firmware business, FirmGuard.

The Group's strategy is to build on its unique expertise, track record and market position in the firmware industry. Phoenix plans to do this by developing new products and diversifying into a number of complementary emerging market opportunities with high growth potential.

Phoenix, which was the first independent BIOS vendor ("IBV"), has been pioneering firmware innovation since 1979 with a billion units installed worldwide. There are only three IBVs globally. The Group has industry partnerships with leading multinational technology companies such as Intel, AMD, Qualcomm, Aspeed and Arm, as well as computing device manufacturers.

FirmGuard is a unique cyber security product to address firmware vulnerabilities across large organisations and enterprises. FirmGuard is a cloud-based SaaS product which has been initially targeted at IT Managed Service Providers (MSPs) in the US.

Phoenix's international headquarters is in Dublin, Ireland, with engineering and sales teams in both the US and Asia.

### 2024 financial highlights

Group revenue for the year to 31 December 2024 increased by 21.8% to US\$24.5m (2023: US\$20.1m) largely driven by increased revenues from server related strategic services.

Adjusted EBITDA<sup>1</sup> was US\$3m (2023: US\$2.1m) reflecting a notable level of R&D investment, which was US\$7.2m (2023: US\$6.1m). Adjusted EBITDA represents operating profit before interest, taxes, depreciation, amortisation, restructuring costs and share based payments. Adjusted EBITDA for the year was US \$2.9 million as shown below:

	<b>2024</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>
Operating loss (audited)	(10,597,126)	(1,646,985)
<i>Add back:</i>		
Depreciation	1,670,988	1,329,646
Amortisation	6,408,564	1,687,492
Impairment of intangible assets	4,840,336	-
Restructuring costs (Note 7)	149,700	145,874
Share based payment	519,475	549,899
<b>Adjusted EBITDA</b>	<b>2,991,937</b>	<b>2,065,926</b>

1. Adjusted EBITDA is a widely used benchmark for measuring operational performance. It enables comparability across companies and supports valuation and decision making. Specific adjustments included in its calculation may vary between companies.

# Phoenix Technologies Holdings Limited

## Directors' report *(continued)*

### **2024 financial highlights** *(continued)*

Gross margin (excluding amortisation) decreased in line with expectations to 57% (2023: 64%), reflecting the increased Cost of Sales, as the business ramped up its strategic services business line, which is firmware related engineering services and is not related to FirmGuard. The Group reported a loss before tax of US\$12.0m (2023: loss US\$2.7m). The increase was largely due to capital repayments on its term loan facility becoming payable during the period, as well as increased amortisation charges expenditure on the FirmGuard product, including an impairment of related capitalised development costs.

The Group ended the year with cash of \$1.5m (2023: \$1m) and debt at \$12m (2023: \$9.9m) resulting in net debt of \$10.5m. In FY24, the Group continued to pay down the Claret Capital facility entered into during FY23 and additionally raised a US\$3.3m convertible loan note to support ongoing growth and working capital requirements.

### **Operational highlights**

#### ***Core Client***

Core Client is the Group's main revenue generating division. This division supplies firmware for PCs (laptops and desktops), embedded devices and servers. The division also provides strategic services to key industry players. The PC business is underpinned by long-term contracts from customers such as Lenovo, LG and Vaio.

The recovery in the PC market that began in late 2023 strengthened during 2024, supported by renewed enterprise demand and stabilising consumer sales. Revenues in the Client PC division increased by 12% compared to 2023, marking a return to moderate growth following the significant contraction experienced in prior years.

Revenues in the Server Strategic Services business increased significantly in 2024, rising from \$4.4 million in 2023 to \$9 million in 2024. The growth was driven by the full-year impact of a multi-year contract with one of the largest cloud computing providers, which commenced during 2023. Following the strategic refocus of the server business towards cloud computing, this contract has provided a strong foundation for continued growth in this segment.

#### ***FirmGuard Enterprise Cybersecurity***

FirmGuard is a unique firmware cyber security cloud-based SaaS product, to address vulnerabilities below the operating system level.

Enterprises increasingly need to monitor and maintain their firmware in real time to protect from cyber-attack. Improvements in operating system cybersecurity has resulted in hackers targeting alternative areas within computers and devices such as chips and firmware.

Phoenix has invested significantly in R&D to develop FirmGuard, a unique patented product, using its sophisticated firmware knowledge, generated over a history which spans more than 40 years. As of Q4 2025, Phoenix is exploring strategic options relating to FirmGuard and has thus impaired the R&D capitalised to date.

FirmGuard has initially been targeted at US-based IT Managed Service Providers (MSPs) due to the IT savvy nature of key decision makers in these businesses. FirmGuard is now also targeting Enterprises and Government Agencies, who are increasingly likely to be the subject of a firmware level cybersecurity attack.

### **Recent developments**

In 2024, there have been a number of both strategic and important operational developments:

# Phoenix Technologies Holdings Limited

## Directors' report *(continued)*

### **Recent developments *(continued)***

In December 2024, the Group raised a US\$3.3m convertible loan note to support ongoing growth and working capital requirements.

In December 2024, Phoenix strengthened its Board with the appointment of Janine Freeman as a Non-Executive Director. Janine has extensive senior executive, financial and board governance experience.

### **Principal risks**

The principal risks are detailed below:

Management and the board regularly review the risks facing the Group. The Directors consider that the following are the principal risk factors that could materially and adversely affect the Group's future operating profits or financial position:

#### ***Management risk***

The Group is currently expanding the Group into new markets, while growing existing markets, and this requires an experienced management team and the ability to recruit and retain skilled personnel. The recruitment and retention of employees is critical for the Group's success. The Group is dependent on the services of its senior executives to guide the Group. The Group conducts regular staff evaluations and has introduced a Share Option plan to help attract and retain staff.

#### ***New Product risk***

The Group is actively expanding by developing new products based on its core firmware expertise. Should these new products be unable to be developed or unable to compete, it would impact the growth prospect for the Group. The Group is actively managing the risks associated with development and assesses the competitive landscape on a regular basis.

#### ***Financial risk***

The Group's operations expose it to a variety of financial risks that include foreign exchange risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board is responsible for setting risk management policies and management are responsible for implementing these policies.

#### ***Interest rate risk***

The Group's interest rate risk arises from bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The Group's borrowings are at a fixed rate and are denominated in Euro. The Group manages its interest rate risk by performing a risk assessment at senior management level of projected movements in interest rates.

#### ***Foreign exchange risk***

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange transaction risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The main foreign exchange risk is associated with the Group's borrowings, denominated in Euro, which differs to the Group's functional currency being USD. The Group does not utilise foreign exchange hedging. The companies in the Group aim to conduct as much of their business in the Group's functional currency.

#### ***Credit and concentration risk***

The Group has implemented policies that require appropriate credit checks on new customers before contracts are entered into. The utilisation of credit limits is regularly monitored. Many of the Group's customers are large public companies with significant resources. However, the company is reliant on a few customers for the majority of its revenue. The Group is actively seeking to expand its product and customer base to reduce this risk.

# Phoenix Technologies Holdings Limited

## Directors' report *(continued)*

### Principal risks *(continued)*

#### **Liquidity risk**

The Group actively manages its liquidity to ensure the Group has sufficient available funds for operations and planned expansions. Management and the Board monitors forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. See going concern note below for further details.

### Directors, secretary and their interests

The directors who held office at 31 December 2024 had no interests, other than those shown below, in the shares, debentures or loan stock of the Company or Group companies:

	Ordinary Shares		Share Options	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
<b>Directors</b>				
Kevin Cooney	169,500	169,500	1,183,333	1,183,333
Gerard Moore	27,297,411	24,697,657	500,000	500,000
Jonathan O'Connell	11,813,144	11,278,859	333,333	333,333
Dwight Huang	4,243	-	-	-
Janine Freeman	-	-	350,000	-
Barry Devereux	897,061	-	350,000	350,000

### Political contributions

The Group made no political contributions during the year.

### Accounting records

The directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014, with regard to maintaining adequate accounting records by engaging adequate and appropriate accounting resources in the financial function. The accounting records of the Group are maintained at its head office.

### Going concern

The directors have assessed the going concern of the Group as outlined in note 3 to the financial statements.

### Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditor is aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditor is unaware.

### Post balance sheet events

In June 2025, the Group raised \$2.9m of equity to fund the continued development of products and strategic initiatives.

# Phoenix Technologies Holdings Limited

Directors' report *(continued)*

## Post balance sheet events *(continued)*

In December 2025, the group raised \$1.0m in the form of a subordinated loan note.

The directors confirm that there have been no other subsequent events after the year end that would require either adjustments to, or disclosure in, these financial statements.

## Subsidiaries

The information required by the Companies Act 2014 in relation to subsidiary undertakings is given in Note 25 to the financial statements.

## Auditor

In accordance with Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the board



Gerard Moore



Jonathan O'Connell

15 December 2025

# Phoenix Technologies Holdings Limited

## Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

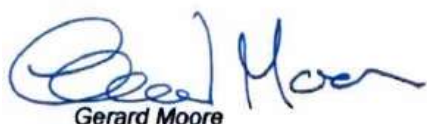
Company law requires the directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and applicable law.

Under company law, the directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that period. In preparing the Group and Company financial statements, the directors are required to:

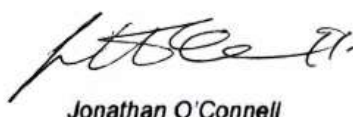
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess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

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements of the Group and Company are prepared in accordance with applicable IFRS, as adopted by the EU and comply with the provisions of the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the board



Gerard Moore



Jonathan O'Connell

15 December 2025



## KPMG

Audit  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

# Independent Auditor's Report to the Members of Phoenix Technologies Holdings Limited

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Phoenix Technologies Holdings Limited ('the Company') and its consolidated undertakings ('the Group') for the year ended 31 December 2024 set out on pages 11 to 50, which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Company Balance Sheet, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cashflows and related notes, including the material accounting policies set out in note 3.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

### **Basis for opinion**

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

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



## **Independent Auditor's Report to the Members of Phoenix Technologies Holdings Limited (continued)**

### ***Material uncertainty related to going concern***

We draw attention to Note 3 of the financial statements, which indicates that the group has historic losses and has continued to incur losses in the current year. These events and conditions, along with the other matters explained in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

### ***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

### ***Our opinions on other matters prescribed by the Companies Act 2014 are unmodified***

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

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



## **Independent Auditor's Report to the Members of Phoenix Technologies Holdings Limited (continued)**

### ***Matters on which we are required to report by exception***

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

### **Respective responsibilities and restrictions on use**

#### ***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### ***Auditor's responsibilities for the audit of the financial statements***

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

A fuller description of our responsibilities is provided on IAASA's website at

<https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

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

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

John Corrigan  
**for and on behalf of**  
**KPMG, Chartered Accountants, Statutory Audit Firm**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2, D02 DE03

17 December 2025

# Phoenix Technologies Holdings Limited

## Consolidated income statement

Year ended 31 December 2024

		Year ended	Year ended
	<i>Note</i>	31 December 2024	31 December 2023
		\$	\$
<b>Revenue</b>	4	<b>24,516,531</b>	<b>20,121,174</b>
Cost of sales		<b>(10,586,207)</b>	<b>(8,917,103)</b>
		<hr/>	<hr/>
<b>Gross profit</b>		<b>13,930,324</b>	<b>11,204,071</b>
Research and Development Expenses		<b>(9,744,877)</b>	<b>(4,451,037)</b>
Sales and Marketing Expenses		<b>(3,590,816)</b>	<b>(3,145,671)</b>
General and Administrative Expenses		<b>(6,201,721)</b>	<b>(5,108,474)</b>
Restructuring Costs	7	<b>(149,700)</b>	<b>(145,874)</b>
Impairment of intangible assets		<b>(4,840,336)</b>	<b>-</b>
		<hr/>	<hr/>
<b>Operating loss</b>		<b>(10,597,126)</b>	<b>(1,646,985)</b>
Finance Income	6	<b>709,702</b>	<b>159,627</b>
Finance costs	6	<b>(2,070,265)</b>	<b>(1,225,451)</b>
		<hr/>	<hr/>
<b>Loss on ordinary activities before income tax</b>		<b>(11,957,689)</b>	<b>(2,712,809)</b>
Income tax	9	<b>98,358</b>	<b>(81,073)</b>
		<hr/>	<hr/>
<b>Loss for the financial period</b>		<b>(11,859,331)</b>	<b>(2,793,882)</b>
		<hr/> <hr/>	<hr/> <hr/>

# Phoenix Technologies Holdings Limited

## Consolidated statement of other comprehensive income

Year ended 31 December 2024

	Year ended	Year ended
	31 December 2024	31 December 2023
<b>Loss for the financial period</b>	<b>(11,859,331)</b>	<b>(2,793,882)</b>
Currency translation differences in foreign subsidiaries	(9,209)	(13,789)
Remeasurement of net defined benefit liability	(53,118)	(8,564)
Other comprehensive loss	<b>(62,327)</b>	<b>(22,353)</b>
<b>Total Comprehensive loss</b>	<b>(11,921,658)</b>	<b>(2,816,235)</b>

# Phoenix Technologies Holdings Limited

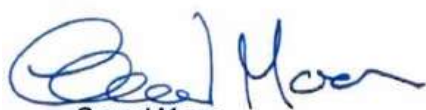
## Consolidated balance sheet as at 31 December 2024

	Note	2024 \$	2023 \$
<b>Non-current assets</b>			
Goodwill	10	5,699,617	5,699,617
Intangible assets	11	21,850,990	25,866,376
Property, plant and equipment	12	507,632	769,918
Right of use asset	13	1,637,420	3,145,030
Other non-current assets		377,050	389,354
		<hr/>	<hr/>
		<b>30,072,709</b>	<b>35,870,295</b>
<b>Current assets</b>			
Trade receivables and other receivables	15	1,398,196	905,914
Accrued income		3,420,242	3,226,841
Other Current Assets	15	237,033	230,635
Deferred tax asset		50,703	13,375
Cash and cash equivalents	16	1,505,038	1,026,262
		<hr/>	<hr/>
		<b>6,611,212</b>	<b>5,403,027</b>
		<hr/>	<hr/>
<b>Total assets</b>		<b>36,683,921</b>	<b>41,273,322</b>
<b>Equity</b>			
Called up share capital	21	375,526	340,605
Share premium	21	32,669,111	28,407,613
Translation reserve		(47,936)	(38,727)
Share based payment reserve	18	1,612,884	1,093,409
Profit and loss account		(19,714,840)	(7,802,391)
		<hr/>	<hr/>
<b>Shareholders' funds/net assets</b>		<b>14,894,745</b>	<b>22,000,509</b>
<b>Long term liabilities</b>			
Loans and Borrowings	19	7,697,385	8,640,676
Pension liability	20	1,337,353	1,591,177
Long term deferred tax liabilities		2,068	108,705
Lease liabilities	13	1,521,092	2,333,273
		<hr/>	<hr/>
		<b>10,557,899</b>	<b>12,673,831</b>

# Phoenix Technologies Holdings Limited

	Note	2024	2023
Consolidated balance sheet ( <i>Continued</i> )			
<i>as at 31 December 2024</i>			
		\$	\$
<b>Current liabilities</b>			
Trade and other payables	17	2,485,989	2,495,245
Deferred income		3,944,325	2,316,328
Warrant on Loan	23	590,026	467,476
Income tax payable		27,037	66,296
Lease liabilities	13	798,102	1,157,564
Pension Liability	20	95,210	96,073
Loans and Borrowings	19	3,290,588	-
		<hr/>	<hr/>
		<b>11,231,277</b>	<b>6,598,982</b>
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>21,789,176</b>	<b>19,272,813</b>
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>36,683,921</b>	<b>41,273,322</b>
		<hr/> <hr/>	<hr/> <hr/>

On behalf of the board

  
Gerard Moore

  
Jonathan O'Connell

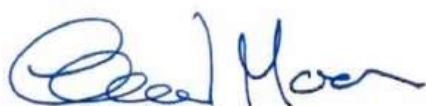
15 December 2025

# Phoenix Technologies Holdings Limited

## Company balance sheet as at 31 December 2024

	Note	2024 \$	2023 \$
<b>Fixed assets</b>			
Investment in subsidiaries	14	-	-
<b>Current assets</b>			
Trade and other receivables	15	22,858,107	-
Cash and cash equivalents		1,102,278	4,096
		<hr/>	<hr/>
<b>Total assets</b>		<b>23,960,385</b>	<b>4,096</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>			
Called up share capital	21	375,526	340,605
Share premium		32,669,111	28,407,613
Share Option based payment reserve		1,612,884	1,093,409
Profit and loss account		(13,987,724)	(29,837,531)
		<hr/>	<hr/>
<b>Shareholder's funds/net assets</b>		<b>20,669,797</b>	<b>4,096</b>
		<hr/>	<hr/>
<b>Long term liabilities</b>			
Loans and borrowings	19	3,290,588	-
		<hr/>	<hr/>
<b>Total Liabilities</b>		<b>3,290,588</b>	<b>-</b>
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>23,960,385</b>	<b>4,096</b>
		<hr/> <hr/>	<hr/> <hr/>

On behalf of the board

  
Gerard Moore

  
Jonathan O'Connell

15 December 2025

# Phoenix Technologies Holdings Limited

## Consolidated statement of changes in equity

for the year ending 31 December 2024

	Called Up Share Capital \$	Share premium \$	Translation reserve \$	Share based payment reserve \$	Profit and loss \$	Total Equity \$
<b>Balance at 31 December 2022</b>	<b>340,071</b>	<b>28,349,255</b>	<b>(24,938)</b>	<b>543,510</b>	<b>(4,999,945)</b>	<b>24,207,953</b>
<i>Movements during the period</i>						
Loss for the period	-	-	-	-	(2,793,882)	(2,793,882)
Other comprehensive loss	-	-	(13,789)	-	(8,564)	(22,353)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(13,789)</b>	<b>-</b>	<b>(2,802,446)</b>	<b>(2,816,235)</b>
<i>Transactions with owners of the Company</i>						
Issue of shares	534	58,358	-	-	-	58,892
Expenses in relation to equity raise	-	-	-	549,899	-	549,899
Share based payment movement	-	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>534</b>	<b>58,358</b>	<b>-</b>	<b>549,899</b>	<b>-</b>	<b>608,791</b>
<b>Balance at 31 December 2023</b>	<b>340,605</b>	<b>28,407,613</b>	<b>(38,727)</b>	<b>1,093,409</b>	<b>(7,802,391)</b>	<b>22,000,509</b>
<i>Movements during the period</i>						
Loss for the period	-	-	-	-	(11,859,331)	(11,859,331)
Other comprehensive loss	-	-	(9,209)	-	(53,118)	(62,327)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(9,209)</b>	<b>-</b>	<b>(11,912,449)</b>	<b>(11,921,658)</b>
<i>Transactions with owners of the Company</i>						
Issue of shares	34,921	4,261,498	-	-	-	4,296,419
Expenses in relation to equity raise	-	-	-	-	-	-
Share based payment movement	-	-	-	519,475	-	519,475
<b>Total contributions by and distributions to owners</b>	<b>34,921</b>	<b>4,261,498</b>	<b>-</b>	<b>519,475</b>	<b>-</b>	<b>4,815,894</b>
<b>Balance at 31 December 2024</b>	<b>375,526</b>	<b>32,669,111</b>	<b>(47,936)</b>	<b>1,612,884</b>	<b>(19,714,840)</b>	<b>14,894,745</b>

In April 2024, the Company raised \$4,296,419 through the issuance of 26,038,907 Ordinary shares at \$0.165 cents each.

# Phoenix Technologies Holdings Limited

## Company statement of changes in equity for the year ending 31 December 2024

	Share capital	Share premium	Share based payment reserve	Profit and loss account	Total
	\$	\$	\$	\$	\$
<b>Balance at 31 December 2022</b>	<b>340,071</b>	<b>28,349,255</b>	<b>543,510</b>	<b>(2,631,582)</b>	<b>26,601,254</b>
<b>Movements during the year</b>					
Loss for the period	-	-	-	(27,205,949)	(27,205,949)
<b><i>Total comprehensive loss for the period</i></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,205,949)</b>	<b>(27,205,949)</b>
Issue of shares	534	58,358	-	-	58,892
Share based payment reserve	-	-	549,899	-	549,899
Expenses in relation to equity raise	-	-	-	-	-
<b>Total</b>	<b>534</b>	<b>58,358</b>	<b>549,899</b>	<b>-</b>	<b>608,791</b>
<b>Balance at 31 December 2023</b>	<b>340,605</b>	<b>28,407,613</b>	<b>1,093,409</b>	<b>(29,837,531)</b>	<b>4,096</b>
<b>Movements during the year</b>					
Profit for the period	-	-	-	15,849,807	15,849,807
<b><i>Total comprehensive profit for the period</i></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,849,807</b>	<b>15,849,807</b>
<b>Transactions with Owners of the company</b>					
Issue of shares	34,921	4,261,498	-	-	4,296,419
Share based payment reserve	-	-	519,475	-	519,475
<b>Total</b>	<b>34,921</b>	<b>4,261,498</b>	<b>519,475</b>	<b>-</b>	<b>4,815,894</b>
<b>Balance at 31 December 2024</b>	<b>375,526</b>	<b>32,669,111</b>	<b>1,612,884</b>	<b>(13,987,724)</b>	<b>20,669,797</b>

# Phoenix Technologies Holdings Limited

## Consolidated statement of cashflows for the year ending 31 December 2024

	2024 \$'000	2023 \$'000
<b>Cashflows from operating activities</b>		
Profit for the period after income tax	(11,859,331)	(2,793,882)
<i>Adjustments for:</i>		
Depreciation and Amortisation	3,195,155	3,017,138
Tax charge	(98,358)	81,073
Interest expense	1,905,974	1,087,197
Interest Income	(709,702)	(159,627)
Share based payments	<u>519,475</u>	<u>549,899</u>
	<b>(7,046,787)</b>	1,781,798
<i>Changes in:</i>		
Trade and other receivables	(498,679)	(134,343)
Trade and other payables	1,526,804	1,277,834
Accrued income	(193,401)	(274,355)
Long-term assets	12,304	(111,554)
Long term liabilities	<u>(215,868)</u>	<u>(148,951)</u>
<b>Cash generated from operating activities</b>	<b>(6,415,627)</b>	2,390,429
Tax paid	<u>(84,867)</u>	<u>(91,153)</u>
<b>Net cash flow used operating activities</b>	<b>(6,500,494)</b>	2,299,276
<b>Cashflows from investing activities</b>		
Acquisitions of property, plant and equipment	(94,304)	(682,142)
Disposal of property, plant and equipment	57,697	14,216
Right of use assets	-	(3,164,409)
Developments costs capitalized	(2,399,974)	(6,064,368)
Impairment of intangible assets	<u>4,840,336</u>	<u>-</u>
<b>Net cash used in investing activities</b>	<b>2,403,755</b>	(9,896,703)
<b>Cashflows from financing activities</b>		
Repayment of lease liabilities	(1,171,641)	2,243,612
Interest on lease liability	(339,430)	(157,656)
Drawdown of loan	4,346,258	9,932,760
Net Capital Movement	(1,532,813)	(5,868,607)
Interest paid	(1,366,020)	(857,214)
Proceeds from Issuance of Share	<u>4,296,420</u>	<u>58,892</u>
<b>Net cash from financing activities</b>	<b>4,232,774</b>	5,351,787
<b>Net increase in cash and cash equivalents</b>	<b><u>136,035</u></b>	<b><u>(2,245,640)</u></b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>1,026,262</b>	3,098,075
Effect of changes in exchange rates	342,741	173,827
<b>Cash and cash equivalents at end of period</b>	<b><u><u>1,505,038</u></u></b>	<b><u><u>1,026,262</u></u></b>

# Phoenix Technologies Holdings Limited

## Notes

*forming part of the consolidated financial statements*

### **1 Reporting entity**

Phoenix Technologies Holdings Limited (“the Company”) is a company incorporated, domiciled and registered in Ireland. The Company’s registered office is Riverside One, Sir John Rogerson’s Quay, Dublin 2. The consolidated financial statements of the Company for the year ended 31 December 2024 comprise the Company and its subsidiaries (together “the Group”). The registered number of the Company is 676279.

### **2 Basis of preparation**

These financial statements are the statutory financial statements of the Company which are required to be prepared and laid before the members at an Annual General Meeting pursuant to the Companies Act 2014.

#### **Statement of compliance**

The consolidated financial statements have been prepared in accordance with IFRS as adopted in the EU (‘Adopted IFRS’). The consolidated financial statements were approved by the board on 15 December 2025.

#### **Basis of measurement**

The consolidated financial statements are prepared on the historic cost method, except for derivative financial instruments, which are measured at fair value through the income statement.

#### **Currency**

The functional currency of Phoenix Technologies Holdings Limited is US dollars. The presentational currency of the Group is US dollars.

### **3 Accounting policies**

#### **Basis of consolidation**

The Group financial statements consolidate the financial statements of the Company, and all its subsidiary undertakings made up to 31 December 2024. Business combinations are accounted for using the acquisitions method as at the acquisition date, which is the date on which control transfers to the Group. Control is the power to govern the financial and operating policies of an entity.

Acquisitions of entities completed in common control transactions are recorded as an investment based on the previous carrying value of all assets and liabilities acquired. No goodwill arises on such transactions and any difference between the amount paid and the book value acquired is recognised as a reorganisation reserve in equity.

#### **Subsidiaries**

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

# Phoenix Technologies Holdings Limited

Notes (continued)

## 3 Accounting policies (continued)

### Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Any resulting monetary assets and liabilities are translated at the balance sheet rate and all exchange differences thereon are dealt within the income statement.

The Group's net investments, including goodwill, in overseas subsidiary undertakings and associates are translated at the rate ruling at the balance sheet date. The profits and losses of overseas subsidiary undertakings and associates are translated at average rates for the period. Exchange differences resulting from the retranslation of the opening balance sheets of overseas subsidiary undertakings and associates at closing rates, together with the differences on the translation of the profit and loss accounts, are dealt with through reserves and reflected in the statement of other comprehensive income.

### Going Concern

In 2024, the business generated a loss during the year of US \$ 12 million (2023: loss of \$2.7 million) and had net assets of \$14.9 million (2023: \$22 million). Cash on hand at 31 December 2024 amounted to \$1.5 million (2023: \$1 million), while debt increased to \$12 million (2023: \$9.9 million), resulting in a net debt position of \$10.5 million (2023: \$8.9 million). As disclosed in the subsequent events note, the Group raised \$2.9 million in equity financing in June 2025 to support product development.

As of late 2025, management has been approached in relation to a number of strategic options for Phoenix. A successful outcome in relation to one of these options by early 2026 is expected to provide the liquidity necessary for the Group to continue to meet its obligations beyond the end of 2025.

The Directors have concluded that the ability to obtain the financing required to provide the necessary liquidity to fund obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements, represents a material uncertainty that may cast doubt upon the Group's ability to continue as a going concern and therefore, be unable to realise its assets and discharge its liabilities in the normal course of business.

Despite the uncertainties described above, the directors believe there is a reasonable expectation that the Group will have adequate resources and will raise the necessary financing required to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

### Turnover

The Group generates its revenues from the sale of software product licences, professional services and support. Revenue is measured at fair value of the consideration received or receivable for the license of technology and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below.

The Group reports revenue under the following categories:

#### **Licences**

The Company licenses Firmware software under non-cancellable license agreements and provides services including nonrecurring engineering services.

# Phoenix Technologies Holdings Limited

Notes (continued)

## 3 Accounting policies (continued)

### **Turnover (continued)**

Revenues are recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collection is probable. The fair value of the undelivered element of revenue is deferred, and the delivered portion of the arrangement fee is recognized as revenue.

With respect to Volume Purchase Arrangements (VPA) with OEMs and ODMs, the Company recognizes license and service revenues for units consumed through the last day of the current accounting period, to the extent the customer can be invoiced for such consumption prior to the end of the current period and provided all other revenue recognition criteria have been met. If the customer agreement provides that the right to consume units lapses at the end of the term of the VPA, the Company recognizes revenues ratably over the term of the VPA if such ratable amount is higher than actual consumption as of the end of the current accounting period.

Under pay-as-you-go arrangements, license revenues from OEMs and ODMs are generally recognized in each period based on estimated consumption by the OEMs and ODMs of products containing the Company's software, provided that all other revenue recognition criteria have been met. The Company recognizes revenues for all consumption prior to the end of the accounting period.

### **Engineering and other Services**

Revenues for engineering services are generally on a time and materials basis and are recognized as the services are performed. Training and other service fees are recognized as services are performed. Amounts billed in advance for services that are in excess of revenues recognized are recorded as deferred revenues.

Deferred revenue includes license, software configuration and consulting service fees contracts billed in advance of the revenue being recognised.

### **Employee benefits**

#### **Short term employee benefits**

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

#### **Share based payments arrangements**

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of stock appreciation rights ('SARs'), which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognised in profit or loss.

# Phoenix Technologies Holdings Limited

Notes (continued)

## 3 Accounting policies (continued)

### Employee benefits (continued)

#### **Defined contribution plans**

Obligations for contributions plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### **Defined benefit plans**

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior period, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

#### **Other long term employee benefits**

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognised in profit or loss in the period in which they arise.

#### **Termination benefits**

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group incurs costs for a related restructuring.

### **Finance income and finance costs**

Interest payable and similar charges include interest payable, finance charges and finance leases recognised in profit or loss using the effective interest method, and net foreign exchange losses that are recognised in the profit or loss (see foreign currency accounting policy)

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

# Phoenix Technologies Holdings Limited

Notes (continued)

## 3 Accounting policies (continued)

### Taxation

Tax expense comprises current and deferred tax. Current and deferred tax are recognised in the consolidated income statement except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

#### **Current tax**

Current tax is the expected tax payable or receivable on the result for the period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

#### **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- temporary differences related to subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates at which the temporary differences are expected to reverse, using tax rates enacted or substantially enacted at the reporting date. Deferred tax assets and liabilities are offset where a legally enforceable right of offset exists. Deferred tax assets are recognised to the extent that it is probable that there will be taxable profits in the foreseeable future against which they can be utilised.

### **Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date.

# Phoenix Technologies Holdings Limited

## Notes (continued)

### 3 Accounting policies (continued)

#### Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the fair value of the sum of the consideration transferred over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ('CGUs') expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

#### Intangible assets

Intangible assets acquired in a business combination (including customer relationships, technology and trademarks) and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately, as follows:

The estimated useful lives are as follows:

- Technology	3-6 years
- Trade name	3-6 years
- Customer relationships	3-6 years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives as follows:

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

# Phoenix Technologies Holdings Limited

## Notes (continued)

### 3 Accounting policies (continued)

#### Intangible assets (continued)

Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. Development costs that are capitalised are amortised over their expected useful life. The estimated useful life is 3-6 years and is reviewed at each statement of financial position date. Amortisation commences when the asset is available for use.

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company. Property, plant and equipment is depreciated over its expected useful economic life on a straight-line basis as follows:

Computer equipment:	33%
Office equipment:	33%
Leasehold improvements:	20% or length of the lease whichever is shorter.

On disposal of property, plant and equipment the cost and related accumulated depreciation and impairments are removed from the financial statements and the net amount, less any proceeds, is recognised through profit or loss in the income statement.

The carrying amounts of the property, plant and equipment are reviewed at each year end date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, and an impairment provision is recorded through profit or loss in the income statement.

#### Leases

The Group has applied IFRS 16 from incorporation.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For lease contracts, the Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

# Phoenix Technologies Holdings Limited

## Notes (continued)

### 3 Accounting policies (continued)

#### Leases (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities separately on the balance sheet.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### Financial instruments

##### (i) Loans, Borrowings and Convertible Loan Notes (CLNs)

###### Recognition and Initial Measurement:

Loans, borrowings, and convertible loan notes (CLNs) are recognized when the entity becomes a party to the contractual provisions of the financial instrument. At initial recognition, these instruments are measured at fair value, net of directly attributable transaction costs.

For CLNs that contain both liability and equity components, the instrument is assessed under IAS 32 to determine whether it comprises:

- a compound financial instrument (i.e., containing both liability and equity components), or
- a single financial liability measured at fair value through profit or loss (FVTPL), depending on the specific contractual terms.

Where a CLN is classified as a compound financial instrument, the liability component is measured at the fair value of a similar debt instrument without a conversion feature, and the residual amount is recognized in equity as the conversion option. Transaction costs are allocated to the liability and equity components on a pro-rata basis.

###### Subsequent Measurement:

Loans and Borrowings: After initial recognition, loans and borrowings are measured at amortized cost using the effective interest method unless they are designated at FVTPL. Under the amortized cost method, interest expense is recognized in profit or loss over the term of the borrowing based on the effective interest rate.

Convertible Loan Notes (CLNs):

- The liability component of a CLN is subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in profit or loss, reflecting the effective yield on the liability.
- The equity component (if any) is not remeasured after initial recognition.

If the CLN is designated or required to be measured at FVTPL (for example, if it contains an embedded derivative that is not closely related and cannot be separated), the entire instrument is remeasured at fair value at each reporting date, with changes recognized in profit or loss.

# Phoenix Technologies Holdings Limited

## Notes (continued)

### (i) **Loans, Borrowings and Convertible Loan Notes (CLNs) (continued)**

#### **Borrowing Costs:**

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of the asset, in accordance with *IAS 23: Borrowing Costs*. All other borrowing costs, including those related to CLNs, are expensed in the period in which they are incurred.

#### **Derecognition:**

Loans, borrowings, and CLNs are derecognized when the obligation is discharged, cancelled, or expires. Any difference between the carrying amount of the liability and the consideration paid is recognized in profit or loss. Where a CLN is converted into equity, the carrying amount of the liability component is transferred to share capital and share premium, and no gain or loss is recognized on conversion.

#### **Classification:**

Loans, borrowings, and CLNs are classified as current liabilities unless the entity has an unconditional right to defer settlement for at least 12 months after the reporting period, in which case they are classified as non-current liabilities. The equity component of compound CLNs is presented within equity and is not reclassified to liabilities upon conversion or maturity.

### (ii) **Non-derivative financial assets**

#### *IFRS 9 Financial Instruments:*

This standard replaces *IAS 39 Financial Instruments: Recognition and Measurement* and is applicable for the year ending 31 December 2024 for the Group. The new impairment of financial assets model requires the recognition of impairment provisions based on expected credit losses. The Group's impairment methodology in respect of trade receivables is in line with the requirements of IFRS 9 and the simplified approach to providing for expected credit losses has been applied which uses a lifetime expected loss allowance for all trade receivables.

The Group holds the following categories of financial assets:

#### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If payments received from customers exceed the income recognised, then the difference is posted as deferred income.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

### (iii) **Non-derivative financial liabilities**

These comprise the following categories:

#### *Financial liabilities*

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

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such in initial recognition.

# Phoenix Technologies Holdings Limited

## Notes (continued)

### (iii) *Non-derivative financial liabilities (continued)*

Financial liabilities are initially measured at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms as modified and cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial

liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### (iv) *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a reduction from equity, net of any tax effects.

### (v) *Derivative financial liabilities*

Under IFRS 13, the income valuation approach is used to value derivative financial liabilities, such as warrants. The Black Scholes Model is used to derive the fair value of such liabilities.

## 4 Revenue

	Year ended	Year ended
	31 December 2024	31 December 2023
	\$	\$
The analysis of revenue is as follows:		
License revenue	<b>13,046,389</b>	12,424,434
Service revenue	<b>11,470,142</b>	7,696,740
	<b>24,516,531</b>	20,121,174
	\$	\$
The analysis of revenue by location is as follows:		
United States of America	<b>15,165,181</b>	10,645,471
Rest of World	<b>9,351,350</b>	9,475,703
	<b>24,516,531</b>	20,121,174

# Phoenix Technologies Holdings Limited

Notes (continued)

## 5 Employees and remuneration

The average number of full-time equivalent persons employed by the Group at the period end (including executive directors), analysed by category was as follows:

	<b>Year ended</b>	Year Ended
	<b>31 December 2024</b>	31 December 2023
	<b>Number</b>	Number
Customer Engineers	<b>124</b>	82
Research and Development	<b>114</b>	109
Sales and Marketing	<b>21</b>	17
Others	<b>19</b>	15
	<hr/>	<hr/>
	<b>278</b>	223
	<hr/> <hr/>	<hr/> <hr/>

At 31 December 2024, 268 people were employed on a full-time basis.

The aggregate payroll costs of the Group's employees during the period were as follows:

	<b>2024</b>	2023
	<b>\$</b>	\$
Wages and salaries	<b>20,846,695</b>	16,703,840
Social welfare	<b>2,697,735</b>	2,394,018
Retirement benefit costs - defined contribution plans	<b>281,676</b>	211,403
	<hr/>	<hr/>
<b>Total</b>	<b>23,826,106</b>	19,309,261
	<hr/> <hr/>	<hr/> <hr/>

# Phoenix Technologies Holdings Limited

Notes (continued)

## 6 Net finance costs

	2024	2023
	\$	\$
<b>Finance Income</b>		
Interest income on cash and cash equivalents	768	1,238
Net foreign exchange loss	708,934	158,389
	<hr/>	<hr/>
<b>Total interest income</b>	<b>709,702</b>	<b>159,627</b>
	<hr/>	<hr/>
	2024	2023
	\$	\$
Interest expense	(1,566,544)	(929,541)
Interest on lease liability	(339,430)	(157,656)
Amortisation of loan finance costs	(159,824)	(80,671)
Other finance costs	(4,467)	(57,583)
	<hr/>	<hr/>
	<b>(2,070,265)</b>	<b>(1,225,451)</b>
	<hr/>	<hr/>
<b>Net costs recognised in profit or loss</b>	<b>(1,360,563)</b>	<b>(1,065,824)</b>
	<hr/>	<hr/>

## 7 Restructuring costs

	Year ended	Year ended
	31 December 2024	31 December 2023
	\$	\$
Restructuring costs	149,700	145,874

Restructuring costs during the year related to a restructuring of the finance & engineering teams, resulting in severance costs being incurred. Restructuring costs in the prior year related to the sales team restructuring.

# Phoenix Technologies Holdings Limited

Notes (continued)

## 8 Statutory and other information

	Year ended	Year ended
	31 December 2024	31 December 2023
	\$	\$
Profit on ordinary activities before income tax is stated after charging/(crediting) the following:		
Directors' remuneration:		
- salaries and fees	661,602	780,038
- retirement benefit, health contributions and other benefits	163,947	140,741
- consulting fees	149,089	148,686
Remuneration paid to group auditor:		
- audit of group financial statements	75,000	80,000
- taxation services	64,698	64,698
Depreciation of property, plant and equipment	1,670,988	1,329,646
Amortization	6,408,564	1,687,492
Operating lease expense	1,419,493	1,148,957
	<u>                    </u>	<u>                    </u>

## 9 Taxation

	Year ended	Year ended
	31 December 2024	31 December 2023
	\$	\$
<i>Current tax expense</i>		
Charge / credit for the year	39,912	163,570
Prior year adjustment	-	-
	<u>                    </u>	<u>                    </u>
	39,912	163,570
<i>Deferred taxation</i>		
Charge / credit for the year	(138,270)	(82,497)
Prior year adjustment	-	-
	<u>                    </u>	<u>                    </u>
	(138,270)	(82,497)
	<u>                    </u>	<u>                    </u>
<b>Total tax charge</b>	<u>                    </u> <b>(98,358)</b>	<u>                    </u> 81,073

The effective rate of Irish corporation tax assessed for the period is different than the standard rate of corporation tax. The differences are explained below:

# Phoenix Technologies Holdings Limited

## Notes (continued)

### 9 Taxation (continued)

	Year ended	Year ended
	31 December 2024	31 December 2023
	\$	\$
Profit on ordinary activities before income tax	(11,957,689)	(2,712,809)
Profit on ordinary activities at Group's corporation tax rate (12.5%)	(1,494,711)	(339,101)
<i>Effects of:</i>		
Non-deductible expenditure	279,101	63,966
Income taxable at different rates	596,099	224,651
Movement in unrecognized timing differences	521,153	-
Prior year adjustments	-	131,557
<b>Total tax charge</b>	<b>(98,358)</b>	<b>81,073</b>

The closing value of unrecognized deductible temporary differences is \$1,534,910 (FY23: \$955,641).

### 10 Goodwill

	2024	2023
	\$	\$
<b>Goodwill recognised</b>		
Opening balance	5,699,617	5,699,617
Additions	-	-
Impairment losses recognised during the year	-	-
<b>Carrying amount At 31 December</b>	<b>5,699,617</b>	<b>5,699,617</b>

# Phoenix Technologies Holdings Limited

Notes *(continued)*

## 10 Goodwill *(continued)*

### Impairment test

The Board reviewed the impairment of Goodwill on 31 December 2024 and concluded that there had been no impairment on the basis that:

- 1) All indications are that there are no external signs of impairment. Positive market growth trends exist and there is a softening in the interest rate environment.
- 2) All indications are that there are no internal signs of impairment. The board is reviewing tangible strategic options which value the business well in excess of the carrying value of the Goodwill.
- 3) The discounted cash flow on Goodwill is in excess of the carrying value of \$5.7m.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

### Key assumptions

Discount rate:	13%
Revenue growth rate (next 5 yrs average):	9%
EBITDA growth rate (next 5 yrs average):	27%

# Phoenix Technologies Holdings Limited

Notes (continued)

## 11 Intangible assets and goodwill

### Reconciliation of carrying amount

	Technology \$	Trade names \$	Customer Relationships \$	IPR&D costs \$	Capitalized Development Costs	Total \$
<b>Group Cost</b>						
Balance at 1 January 2024	8,771,000	2,005,000	3,469,000	2,320,000	13,724,513	30,289,513
Internally developed	-	-	-	-	7,233,514	7,233,514
Reclassification	2,320,000	-	-	(2,320,000)	0	-
Effect of movements in exchange rates	-	-	-	-	-	-
<b>Balance at 31 December 2024</b>	<b>11,091,000</b>	<b>2,005,000</b>	<b>3,469,000</b>	<b>-</b>	<b>20,958,027</b>	<b>37,523,027</b>
<b>Accumulated amortisation &amp; impairment losses</b>						
Balance at 1 January 2024	(2,192,750)	(501,250)	(867,250)	(300,191)	(561,696)	(4,423,137)
Amortisation	(1,400,472)	(167,083)	(289,083)	-	(4,551,926)	(6,408,564)
Impairment Losses	-	-	-	-	(4,840,336)	(4,840,336)
Reclassification	(300,191)	-	-	300,191	-	-
Effect of movements in exchange rates	-	-	-	-	-	-
<b>Balance at 31 December 2024</b>	<b>(3,893,413)</b>	<b>(668,333)</b>	<b>(1,156,333)</b>	<b>-</b>	<b>(9,953,958)</b>	<b>(15,672,037)</b>
At 31 December 2023	6,578,250	1,503,750	2,601,750	2,019,809	13,162,817	25,866,376
<b>At 31 December 2024</b>	<b>7,197,587</b>	<b>1,336,667</b>	<b>2,312,667</b>	<b>-</b>	<b>11,004,069</b>	<b>21,850,990</b>

# Phoenix Technologies Holdings Limited

## Notes (continued)

### 11 Intangible assets and goodwill (continued)

#### Amortisation

The amortisation of capitalised development costs, technology, trade names, customer relationship and IPR&D costs is included in 'research and technology'.

#### Recoverability of development costs

Intangible assets (excluding goodwill) at 31 December 2024 amounted to \$21.9 million including \$11 million capitalised R&D costs related to the development of new products for the firmware market. There are four products being developed: one for the Server PC market, one for the Desktop PC market, one for AMD chip-based PCs and one is Firmguard development. All the new products will be sold to existing and new customers and the recoverable amount that included these development costs was deemed recoverable based on (1) the forecasted sales and future cash flows expected to be derived from these products which are estimated to be higher than its carrying amount (2) tangible valuations of the business higher than the carrying amounts, post any impairments booked.

### 12 Property, plant and equipment

	<b>Computer Equipment</b>	<b>Office equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Group</b>				
<b>Cost or valuation</b>				
At 1 January 2024	644,441	289,128	323,678	1,257,247
Additions	94,304	-	-	94,304
Disposal	(4,816)	(65,691)	-	(70,507)
Other/Fx	(37,101)	(1,185)	(2,315)	(40,601)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2024</b>	<b>696,828</b>	<b>222,252</b>	<b>321,363</b>	<b>1,240,443</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation</b>				
Accumulated depreciation	(312,834)	(75,859)	(98,637)	(487,330)
Charge for period	(117,949)	(48,475)	(85,071)	(251,495)
Disposal	11,512	1,299	-	12,811
Other/Fx	(4,119)	(505)	(2,173)	(6,797)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2024</b>	<b>(423,390)</b>	<b>(123,540)</b>	<b>(185,881)</b>	<b>(732,811)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>				
<b>At 31 December 2024</b>	<b>273,438</b>	<b>98,712</b>	<b>135,482</b>	<b>507,632</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2023	331,607	213,269	225,041	769,918
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# Phoenix Technologies Holdings Limited

Notes (continued)

## 13 Right of use asset and liabilities (leases)

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Cost</b>		
At Beginning	4,430,941	2,828,089
Retirement*	-	(1,643,689)
Additions	-	3,246,541
FX Movement	(138,974)	-
<b>At 31 December</b>	<b>4,291,967</b>	<b>4,430,941</b>
<b>Depreciation</b>		
At Beginning	1,285,910	1,698,509
Retirement	-	(1,561,758)
Charge for period	1,419,493	1,148,957
FX Movement	(50,856)	203
<b>At 31 December</b>	<b>2,654,547</b>	<b>1,285,911</b>
<b>Net book value</b>		
<b>At 31 December</b>	<b>1,637,420</b>	<b>3,145,030</b>

\* Retirement relates to the retirement of old leases in Beaverton, Taiwan, Japan and Korea.

## Lease liabilities

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Less than one year	998,225	1,451,921
One to five years	1,841,742	2,898,124
Total undiscounted lease liabilities at 31 December	<b>2,839,967</b>	<b>4,350,045</b>
Lease liabilities included in the balance sheet at 31 December	<b>2,319,194</b>	<b>3,490,837</b>
Current	798,102	1,157,564
Non-Current	1,521,092	2,333,273

# Phoenix Technologies Holdings Limited

Notes (continued)

14 Investment in Subsidiaries	Company
	\$
<b>Opening balance at 1 January 2023</b>	-
Additions	549,899
Impairment	(549,899)
<b>Closing balance 31 December 2023</b>	-
Additions	-
Impairment	-
<b>Closing balance at 31 December 2024</b>	-

See details of subsidiaries in Note 25.

15 Trade and other receivables	Group	Group	Company	Company
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Amounts falling due within one year</b>				
Trade receivables	1,398,196	905,914	-	-
Prepayments	202,011	163,912	-	-
Income tax receivable	35,022	66,724	-	-
Amounts due from related parties	-	-	22,858,107	-
	1,635,229	1,136,550	22,858,107	-

A provision for expected credit losses was recognised in the prior year against amounts due from related parties and was partially reversed during the year.

The Group's credit risk is discussed in Note 22.

# Phoenix Technologies Holdings Limited

Notes (continued)

## 16 Cash and cash equivalents

	<b>Group 2024</b>	<b>Group 2023</b>
	<b>\$</b>	<b>\$</b>
Bank balances	1,505,038	1,026,262
Bank overdraft	-	-
	<u><b>1,505,038</b></u>	<u><b>1,026,262</b></u>

## 17 Trade and other payables

	<b>Group 2024</b>	<b>Group 2023</b>
	<b>\$</b>	<b>\$</b>
Trade payables	838,869	567,043
Accruals and other payables	1,647,120	1,928,202
	<u><b>2,485,989</b></u>	<u><b>2,495,245</b></u>

## 18 Share-based payment arrangements

On 2 April 2021, the Group established a share option programme that entitles employees to purchase shares in the Company. Under this programme, holders of vested options are entitled to purchase shares at the market price of the shares at grant date.

The key terms and conditions related to the grants under this programme are as follows; all options are to be settled by the physical delivery of shares. 22,270,000 options were issued in 2021, 3,170,000 were issued in 2022, 6,581,666 were issued in 2023 and a further 1,693,939 were issued in 2024. No options have been exercised but 8,962,000 have been cancelled, leaving 24,753,605 options outstanding.

### ***Vesting conditions***

All options were issued with 25% vesting each year after issuance.

The fair value of the employee share purchase plan has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plan were as follows:

# Phoenix Technologies Holdings Limited

Notes (continued)

## 18 Share-based payment arrangements (continued)

	Share Option Plan 2024	Share Option Plan 2023
Fair value at grant date	0.165	0.15
Share price at grant date	0.165	0.15
Exercise price	0.165	0.15
Expected volatility	45%	45%
Expected life (weighted average)	3.5 years	5.34 years
Risk-free interest rate (based on government bonds)	4.58%	3.99%

Expected volatility has been based on similar sized companies operating in the same industry. The expected term of the instruments has been based on average of the duration the options are valid for given that the company has no historical experience.

The number and weighted-average exercise prices of share options under the share option programmes were as follows:

	Number of options	Weighted average exercise price
Outstanding at 1 January 2024	25,415,666	
Granted during the period	1,693,939	0.165
Exercised during the period	-	-
Forfeited or cancelled during the period	(2,356,000)	
<b>Outstanding and exercisable at 31 December 2024</b>	<b>24,753,605</b>	

The options outstanding at 31 December 2024 had an exercise price in the range of \$0.10 to \$0.165 and a weighted-average contractual life of 2.42 years.

<b>Equity settled share-based payments</b>	<b>Group 2024 \$</b>	<b>Group 2023 \$</b>
Equity settled shared based payments	519,475	549,899

# Phoenix Technologies Holdings Limited

## Notes (continued)

### 19 Loans and Borrowings

	<b>Group 2024</b>	<b>Group 2023</b>
	<b>\$</b>	<b>\$</b>
Due within one year	3,290,588	-
Due after one year	7,697,385	8,640,676
	<hr/>	<hr/>

	<b>Currency</b>	<b>Nominal interest rate</b>	<b>Year of maturity</b>	<b>2024 US\$000</b>	<b>2023 US\$000</b>
Claret Debt	EUR	13.17%	June 2027	\$8,800,876	\$9,932,760
CLN	USD	20%	Dec 2025	\$3,290,588	-

The Group has a €10,000,000 term debt facility from Claret Capital at a total interest rate of 13.17% and a term end date of June 2027. As at 31 December 2023, the Group has drawn down €9m of the total €10m facility, with the remaining €1m drawn down during 2024. The loan amount shown is net of related unamortised debt raise cost of US\$411,462 and prepaid principal repayment of \$345,642 (gross debt of \$8,800,876 at 31 December 2024). It is also shown net of Warrants with value of \$590,026 subtracted and Warrant Interest of \$243,639 added on.

In December 2024, the Group entered into a Subordinated Convertible Loan Note Instrument with an effective date in December 2024. As at 31 December 2024, Loan Notes with a total principal amount of US\$3,310,000 had been issued. Interest accrues at a rate of 20% per annum in accordance with the agreement. The amount shown is net of related unamortised debt raise cost of US\$47,617 and includes accrued interest amount of US\$27,205. The amount classified as equity in relation to the issuance of the Convertible Loan Notes is nil.

### 20 Employee Benefits

#### ***Defined contribution plan***

The company has a retirement plan 401(k) plan for US employees which qualifies under Section 401(k) of the Internal Revenue Code. This plan covers US employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. In addition, the Group's contributions to the 401(k) plan may be made at the discretion of the board of directors. The matching contributions vest over a four-year period which starts with the participants employee start date with the Group. The company matches employee contributions to the 401(k) plan 100% up to the first 3% of salary contributed to the plan and 50% on the next 3% of salary contributed up to a maximum company match of \$4,000 per participant per year. In the period ending 31 December 2024 the company's contributions to the 401 (k) plan was approximately \$245,738 (\$167,919 in 2023).

The Company has a defined contribution plan that covers the Taiwan employees who are not covered by the Taiwan defined benefit plan which is described below. The defined contribution plan is for those employees who joined the Company after 30 June 2005. Employees may elect to contribute up to 6% of monthly wages to their pension account, and the Company contributes 6% of monthly wages as specified on the Table of Monthly Wages and Contribution Rates specified by the

# Phoenix Technologies Holdings Limited

Notes (continued)

## 20 Employee Benefits (continued)

Taiwanese Bureau of Labour Insurance. The Company's contribution to the Taiwan defined contribution plan for the period ending 31 December 2024 was \$35,938 (\$43,484 in 2023).

### Defined benefit plans

The company provides a defined benefit plan including service leaving benefit plan to its employees in Taiwan. As of 31 December 2024, the company has accrued approximately \$610,122 (\$728,246 at 31 December 2023) for the net liabilities associated with the Taiwanese defined benefit plan. Such amounts are recorded under other long-term liabilities on the consolidated balance sheet. Under the Taiwan defined benefit plan, the current employees do not make payments into the plan. A benefit is paid to the employee upon retirement based on the age, the salary and the years of service of the employee. There are also benefits payable on earlier leaving service. The Group has made contributions to the Taiwan defined benefit plan for the period ended 31 December 2024 of \$146,662 (\$292,946 for the period ended 31 December 2023). The funded status of the defined benefit plans is recognized on the Group's consolidated balance sheet and changes in the funded status are reflected in other comprehensive income.

	2024 \$	2023 \$
Net defined benefit asset/(liability)		
<b>Total employee benefit asset/(liability)</b>	(1,624,907)	(1,580,098)
Plan assets at fair value	1,014,785	851,852
Liability for social security contributions	-	-
Liability for long-service leave	-	-
Cash-settled share-based payment liability	-	-
	<hr/>	<hr/>
<b>Net defined benefit asset/(liability)</b>	<b>(610,122)</b>	<b>(728,246)</b>
Non-current	<b>(539,838)</b>	<b>(672,907)</b>
Current	<b>(70,284)</b>	<b>(55,339)</b>
	<hr/>	<hr/>

Phoenix has unfunded severance and retirement obligations in respect of eight employees in Japan and three in South Korea. The South Korean scheme is a legal requirement, and the Japan scheme is voluntary.

# Phoenix Technologies Holdings Limited

Notes *(continued)*

## 20 Employee benefits *(continued)*

In Japan, a defined lump sum is payable in respect of employees on their retirement, severance or death provided they have served more than 3 years employment with Phoenix. The lump sum payable depends on length of service with a maximum pay-out after 30 years' service of 140% of salary. 70% of the calculated lump sum is payable on voluntary retirement or resignation. Phoenix's reserve in respect of this obligation was \$776,697 at 31 December 2023 (\$847,418 at 31 December 2023) assuming 100% of the obligation becomes payable on mandatory retirement at age 65 and an allowance for salary increases, discounted back to provide a present value of the obligation.

In Korea, a defined lump sum is payable in respect of employees on their retirement, voluntary resignation, severance or death provided they have served more than 1 year's employment with Phoenix. The lump sum payable depends on length of service with a maximum pay-out after 40 years' service of three times salary. Phoenix's reserve in respect of this obligation was \$45,744 at 31 December 2024 (\$111,587 at 31 December 2023) assuming 100% of the obligation to become payable on mandatory retirement at age 65 and an allowance for salary increases, discounted back to provide a present value of the obligation.

### A. Funding

The Taiwan benefit plan is partially funded, and assets are invested in the Bank of Taiwan. Any excess liabilities that arise are funded by the Company as they arise. The funding requirements are based on the Taiwan labour law requirements. Employees are not required to contribute to the plans.

The Japanese and South Korean schemes are unfunded.

The Group paid approximately c.\$147,000 in contributions to its defined benefit plans in 2024.

# Phoenix Technologies Holdings Limited

Notes (continued)

## 20 Employee benefits (continued)

### B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components for the Taiwanese, Japanese and Korean schemes.

	Defined benefit obligations 2024 \$	Fair value of plan assets 2024 \$	Net defined benefit (asset)/liability 2024 \$
Opening Balance	(2,539,102)	851,852	(1,687,250)
<b>Included in profit or loss</b>			
Current service cost	(74,553)	-	(74,553)
Past service credit	-	-	-
Interest cost (income)	(30,627)	11,176	(19,451)
<b>Included in OCI</b>			
Remeasurement loss (gain):			
– Actuarial loss (gain) arising from:			
- demographic assumptions	(268)	-	(268)
- financial assumptions	62,789	-	62,789
- experience adjustment	(156,528)	-	(156,528)
– Return on plan assets excluding interest income	-	59,288	59,288
Effect of movements in exchange rates	194,111	(54,192)	139,919
<b>Other</b>			
Benefits paid from plan assets	-	-	-
Benefits paid from book reserve	96,829	-	96,829
Contributions paid by the employer	-	146,662	146,662
	<u>(2,447,349)</u>	<u>1,014,786</u>	<u>(1,432,563)</u>
<b>Represented by:</b>	<b>2024</b>	<b>2023</b>	
	<b>\$</b>	<b>\$</b>	
Long term net defined benefit liability	(1,337,353)	(1,591,177)	
Short term net defined benefit liability	(95,210)	(96,073)	
	<u>(1,432,563)</u>	<u>(1,687,250)</u>	

# Phoenix Technologies Holdings Limited

## Notes (continued)

### 20 Employee benefits (continued)

#### C. Plan assets

Plan assets comprise the following:	<b>2024</b>	2023
	\$	\$
Cash	146,433	133,059
Short term notes	55,712	40,804
Bonds	74,993	64,656
Other Fixed Income Instruments	142,070	128,885
Equities	483,241	395,259
Others	<u>112,337</u>	<u>89,189</u>
	<b><u>1,014,786</u></b>	851,852

The Group's defined benefit plan in Taiwan is administered by the Labor pension fund supervisory committee established by the government of Taiwan. The benefit plan assets are held in a trust by the Bank of Taiwan. The government is responsible for the administration of all defined benefit plans for the companies in Taiwan under the labour standards law. The government also sets investment policies and strategies, determines investment allocation and selects investment managers. The asset allocation was primarily in cash and deposits. Furthermore, under the labour standards law, the rate of return on assets shall not be less than the average interest rate on a two year time deposit published by local banks.

#### D. Defined benefit obligation

##### i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	<b>2024</b>	2023
Discount rate	<b>1.48%</b>	<b>1.27%</b>
Future salary growth	<b>3.0%</b>	<b>3.0%</b>

Assumptions regarding future longevity post-retirement are not relevant as the obligations are payable as a lump sum upon retirement.

##### ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the gross defined benefit obligation by the amounts shown below.

	<b>2024</b>	2023
	<b>Movement</b>	Movement
	\$	\$
Discount rate (1.00% movement)	<b>(213,230)</b>	<b>(234,459)</b>
Future salary growth (1.00% movement)	<b>211,044</b>	<b>231,677</b>

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

# Phoenix Technologies Holdings Limited

Notes (continued)

## 20 Employee benefits (continued)

<b>E. Employee benefit expenses (see Note 5 also)</b>	<b>2024</b>	<b>2023</b>
	\$	\$
Expenses related to post-employment defined benefit plans	94,004	104,491
Expenses related to long-service leave	-	-
	<u>          </u>	<u>          </u>

## 21 Called up share capital

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Authorised</b>		
256,915, 191 shares of €0.00125 each	<b>375,526</b>	375,526
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
256,915,191 Ordinary shares of €0.00125 each	<b>375,526</b>	340,605
	<u>          </u>	<u>          </u>

### Share issues and expenses

Upon the establishment of Phoenix Technologies Holdings Ltd. in August 2020, 3,500 shares were issued at par Euro 0.01.

In January 2021, the Group acquired the assets of Phoenix Technologies for \$20.36 million. The asset purchase was funded by the issuance of 20.7 million shares for \$20.7 million, including the conversion of founder loans into ordinary shares and the exercise of certain options.

Expenses of \$1.3m related to the issuance of the shares has been charged against retained earnings.

In April 2021, the Company conducted an 8 for 1 share split.

In February 2022, the Company raised \$3,000,000 through the issuance of 20,000,000 Ordinary shares at \$0.15 cents each.

In September 2022, the Company raised \$5,000,000 through the issuance of 33,333,334 Ordinary shares at \$0.15 cents each.

In March 2023, the Company raised \$58,893 through the issuance of 392,614 Ordinary shares at \$0.15 cents each.

In April 2024, the Company raised \$4,296,419 through the issuance of 26,038,907 Ordinary shares at \$0.165 cents each.

### Voting rights

The holders of the Ordinary shares shall alone be entitled to receive notice of, attend, speak and have one vote for every one Ordinary share held by them, at General Meetings of the Group.

### Share-based payment reserve

The corresponding credit associated with the charge for share options is recognised as a credit to the share-based payment reserve.

# Phoenix Technologies Holdings Limited

Notes (continued)

## 21 Called up share capital (continued)

### Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

## 22 Financial instruments

### Financial risk management

In terms of financial risks, the Group has exposure to credit risk, liquidity risk and market risk comprising foreign currency risk. This note presents information about the Group's exposure to each of the above risks, together with the Group's objectives, policies and processes for measuring and managing risks.

### Risk management framework

The Group manages risks through the design and implementation of policies set by the board of Directors. The principal objective of these policies is to minimise financial risk at a reasonable cost. The Group does not trade in financial instruments, nor does it enter into any leveraged derivative transactions. The Group manages treasury and banking matters including interest rate and liquidity risk centrally under the oversight of the main Group board. Subsidiary management, in conjunction with the Group board, manage credit, liquidity and market risks within approved policies and guidelines.

There are no significant concentrations of risk.

### Credit risk

Credit risk arises from credit exposure to trade debtors in the business. Trade receivables arise from a wide and varied commercial customer base. The relevant Group companies adhere to strict policies governing credit and a credit committee operates in the area of main risk to monitor adherence to these policies and reviews in detail the trade debtor position on a monthly basis. The Group manages credit risk by applying credit limits to all customers taking into account the financial position, credit history, security held and other factors pertaining to each customer. Consumer credit and ageing of debt in the Group's domestic business is also reviewed on a monthly basis.

The ageing profile of the Group's trade receivables and impairment provisions is as follows:

3	<b>2024 Trade receivables \$</b>	<b>2024 Impairment Provision \$</b>	2023 Trade receivables \$	2023 Impairment Provision \$
Not past due	1,003,837	-	432,008	-
Past due <30 days	332,301	-	381,770	-
Past due 30-90 days	57,835	-	85,132	-
Past due >90 days	4,223	-	7,004	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>1,398,196</b>	<b>-</b>	<b>905,914</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# Phoenix Technologies Holdings Limited

## Notes (continued)

### 22 Financial instruments (continued)

#### Credit risk (continued)

Trade receivable balances and ageing are reviewed on a monthly basis and in detail on a customer-by-customer basis for the purpose of assessing the probability of recovery of each debtor balance. Impairment provisions are provided for where the recoverability of the debtor amount is deemed doubtful. Impairment provisions for commercial debtors are calculated on a customer specific basis taking into account factors such as the financial position of the debtor, adherence by that debtor to credit terms, level of overdue debt, if any, explanation for any overdue debt and the reliability and robustness of any payment plan proposed by a debtor to deal with overdue amounts. The Group companies also review the recoverability of their intercompany receivables on a regular basis to ensure their recoverability.

#### Liquidity risk

The Group's liabilities are short term payables and bank overdraft, all of which fall due on demand, see Note 17.

#### Foreign currency risk

The Group's reporting currency is US dollars. Each company in the Group determines its own functional currency. The functional currency of all Group companies is the US dollar, except for the subsidiaries in Korea and Japan and the branch in Taiwan. Most of the Group's foreign currency risk arises through expenses incurred in New Taiwan dollars. Divisional management manage foreign exchange currency exposures within approved policies and guidelines, set by the Group's board.

The Group did not have material asset or liability amounts in foreign currencies at period end other than trade payables of \$46k in Taiwan, \$14k in Japan and \$1.4k in Korea.

#### Fair values and carrying amounts of all financial instruments

	Designated at fair value \$	Liabilities \$	Total carrying amount \$	Fair value \$
<b>2024</b>				
Cash and cash equivalents	1,505,038	-	1,505,038	1,505,038
Trade receivables	1,398,196	-	1,398,196	1,398,196
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Assets</b>	<b>2,903,234</b>	<b>-</b>	<b>2,903,234</b>	<b>2,903,234</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Trade and other payables	-	2,490,125	2,490,125	2,490,125
Warrants on Loan	-	590,026	590,026	590,026
Loans and borrowings	-	10,987,973	10,987,973	10,987,973
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Liabilities</b>	<b>-</b>	<b>14,068,124</b>	<b>14,068,124</b>	<b>14,068,124</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# Phoenix Technologies Holdings Limited

Notes (continued)

## 22 Financial instruments (continued)

### Fair values and carrying amounts of all financial instruments (continued)

	Designated at fair value \$	Liabilities \$	Total carrying amount \$	Fair value \$
2023				
Cash and cash equivalents	1,026,262	-	1,026,262	1,026,262
Trade receivables	905,914	-	905,914	905,914
	<hr/>	<hr/>	<hr/>	<hr/>
Assets	1,932,176	-	1,932,176	1,932,176
	<hr/>	<hr/>	<hr/>	<hr/>
Trade and other payables	-	2,495,245	2,495,245	2,495,245
Warrants on Loan	-	467,476	467,476	467,476
Loans and borrowings	-	8,640,676	8,640,676	8,640,676
	<hr/>	<hr/>	<hr/>	<hr/>
Liabilities	-	11,603,397	11,603,397	11,603,397
	<hr/>	<hr/>	<hr/>	<hr/>

## 23 Warrants

In relation to the term loan entered in to during the period, the Group issued Warrants with Subscription Rights equal to EUR 1,000,000 on 14 August 2023, granting holders the right to purchase shares equating to that value given a calculated strike price. During 2024, a further issuance of EUR 125,000 was made. In accordance with IAS 32, the warrants are classified as a financial liability as they do not meet the criteria for equity classification under IFRS standards. This classification arises due to variability of the strike price.

### Fair Value Measurement

The fair value of the warrants is determined at each reporting date using the Black-Scholes Option Pricing Model.

Given the Warrant Consideration of EUR 1,125,000 and a Strike Price of \$0.15 at 31 December 2024, the number of Warrant Shares were 7,366,666.

Considering the Fair Value of the Share was calculated as \$0.068, the Fair Value of the Warrant Shares at 31 December 2024 equated to \$590,026.

	2024 \$	2023 \$
Warrants on loan	590,026	467,476
	<hr/>	<hr/>

# Phoenix Technologies Holdings Limited

Notes (continued)

## 24 Commitments

The Group has no capital commitments authorised and not contracted for at 31 December 2024.

## 25 Subsidiary undertakings

At 31 December 2024 the Group had the following subsidiaries with the Group share of the issued ordinary share capital of each detailed below:

Name	Group Holding	Country of registration
Phoenix Technologies Debtco Limited	100%	Ireland
Phoenix Technologies EMEA Limited	100%	Ireland
Phoenix Technologies Inc	100%	USA
Phoenix Technologies KK (Japan)	100%	Japan
Phoenix Technologies Inc (Korea)	100%	Korea

## 26 Related party transactions

The Group has availed of the exemption available in IAS 24 *Related Party Disclosures* from the requirement to disclose details of transactions with related party undertakings where those parties are wholly members of the Group of companies headed by Phoenix Technologies Holdings Limited.

The Group considers the executive directors of the Group and subsidiary boards to be key management personnel. The total remuneration to key management during the period was \$974,638 (2023: \$1,069,465) comprised as:

	2024	2023
	\$	\$
Salary	517,354	780,038
Fees	293,337	148,686
Other benefits	163,947	140,741
	<hr/>	<hr/>
	<b>974,638</b>	<b>1,069,465</b>
	<hr/> <hr/>	<hr/> <hr/>

In December 2024, the Company issued \$3.3 million of convertible loan notes. As part of this issuance, director's of the company subscribed for notes as detailed below:

	\$
Gerard Moore	300,000
Jonathan O'Connell	250,000
Kevin Cooney	250,000
Barry Devereux	60,000
Janine Freeman	25,000

The loan notes bear interest at a rate of 20% per annum, accruing but not paid to date. The total balance, including accrued interest, remained outstanding at year-end. These transactions were conducted on terms no more favourable than those available to other investors and are considered to have been undertaken on an arm's length basis.

# Phoenix Technologies Holdings Limited

Notes *(continued)*

## **27 Ultimate parent undertaking and controlling party**

Phoenix Technologies Holdings Limited is the ultimate parent undertaking incorporated in Ireland.

The ultimate controlling party is DavyCrest Nominees which owns 70% of the outstanding share capital of the Group. DavyCrest Nominees comprises many individual beneficial shareholders. No one individual beneficial owner holds more than 15% of the Company's shares.

The largest and smallest group in which the result of the Company is consolidated is that headed by Phoenix Technologies Holdings Limited. The consolidated financial statements of Phoenix Technologies Holdings Limited is available to the public and may be obtained from its registered office.

## **28 Provisions**

The Group has not recognised any provisions as at 31 December 2024.

## **29 Contingencies**

The Group has no contingencies as at 31 December 2024.

## **30 Post Balance Sheet Events**

In June 2025, the Group raised \$2.9m in equity from investors.

In December 2025, the group raised \$1.0m in the form of a subordinated loan note.

## **31 Approval of financial statements**

The financial statements were approved by the directors on 15 December 2025.