

A decorative graphic in the top left corner of the slide. It consists of a large, light grey triangle pointing towards the bottom right, and a cluster of numerous grey dots of varying sizes that appear to be trailing off from the top left towards the center of the slide.

Q2 2025

**Management
Discussion & Analysis**

NAME OF THE LISTED
COMPANY

PHOENIX GROUP PLC

THE PERIOD OF THE
FINANCIAL STATEMENTS
COVERED BY THE REPORT

Second Quarter 2025 (Q2'2025)

OVERVIEW OF THE
RESULTS DURING THE
FINANCIAL PERIOD

Phoenix Group PLC (ADX: PHX) is pleased to announce its Q2'25 results with the following highlights.

Key Highlights:

- Phoenix Group PLC is the first-ever ADX-listed company to formalize a digital asset treasury, valued at over \$150 million in Bitcoin and Solana.
- Operationally, the company reported \$29 million in revenue and mined a total of 336 BTC across its global operations in Q2, including 214 BTC attributed to self-mining.
- Across the first half of 2025, the Group has mined a cumulative total of 689 BTC.
- Self-mining Bitcoin revenue surged 219% over two years, rising from \$13M in H1 2023 to \$41.7M in H1 2025. The company continues to mine profitably, reporting a 31% gross margin on self-mining and a 14% reduction in energy costs, reinforcing its position as one of the most efficient Bitcoin miners globally.
- Compared to industry rivals, many of whom have heavy debt, Phoenix Group is almost debt-free, with just \$16 million USD in minimal debt. This streamlined financial setup offers the stability and flexibility to actively pursue strategic initiatives like its digital asset treasury and AI infrastructure expansion.
- Phoenix is also accelerating the buildout of its AI and HPC vertical. A feasibility study is currently underway to repurpose part of its U.S. infrastructure into a dedicated multi-use compute facility. In parallel, the Company is actively evaluating several strategic locations globally to identify markets where infrastructure upgrades or redeployments could rapidly expand its AI and HPC footprint.

OVERVIEW OF THE RESULTS DURING THE FINANCIAL PERIOD

Financial Highlights

- Q2'25 revenue stood at \$29M, down 7% QoQ, primarily due to a drop in trading revenue. Trading activity has been deliberately held back to use the machines for self-mining and benefit from the anticipated BTC price rally, which recovered after the trade war shocks from \$74K in April-25 to its all-time high of \$123K in Jul-25.
- The company contributed 13.1 EH/s of processing power across all verticals in Q2'25. Its global share declined to 1.5% due to an 8% rise in network hash rate. The reduction in hash rate is also due to the scheduled power curtailment in summer at Citadel and site maintenance at South Carolina sites. We expect hash rate to substantially improve from Q4'25 with all sites energized (including the upcoming sites in Ethiopia).
- Self-mining revenue grew 2% QoQ despite an 8% increase in mining difficulty and the temporary shutdown of South Carolina sites due to lower BTC prices. The South Carolina sites are re-energized and will be fully online in Q3'25 as the recent price rally makes mining feasible on these sites.
- Gross margin in self-mining improved to 31% (from 30% in Q1'25), aided by a 14% reduction in average power cost (\$0.052/kWh vs \$0.06/kWh) and a 3.6% increase in mining efficiency. Gains were partly offset by higher difficulty and fixed costs from the idle South Carolina facility.
- The company reports a positive adjusted EBITDA of \$378K for the quarter. The YoY decline in EBITDA (\$378K in Q2'25 vs. \$8.34M in Q2'24) is driven by reduced revenue from trading and hosting contributing \$4.9M to the shortfall while the balance \$3.1M is due to 26% YoY decline in self-mining revenue on the back of halving and exit from CIS. With the continued focus and priority on self-mining bitcoins, we believe the temporary trade off in EBITDA will be substantially offset by our future outlook on bitcoin price and efficient sites in pipeline.
- The company reported a net loss of \$29M for Q2'25, compared to a \$56M profit in Q2'24. This includes unrealized (noncash) losses from digital asset price changes and a sharp increase in depreciation expense, from \$854K to \$9.6M, due to a change in accounting policy.

SUMMARY OF OPTIMIZATION INITIATIVES DURING THE FINANCIAL PERIOD

Self-Mining Gross Margin is continuously improving from 5% in Q3'24 to 31% in Q2'25. This has been achieved with:

- Improvement in mining efficiency which has improved from 32 J/TH to 25.9 J/TH in the last twelve months.
- Improvement in avg power cost which has gone down from \$0.057/KWHr in Q3'24 to \$0.052/KWHr in Q2'25.

SUMMARY OF STRATEGIC ACHIEVEMENTS

We remain committed to strengthening our leadership in the region, with several key initiatives in progress. Here are some of the notable developments for the quarter ended:

- Continued discussion with partners to expand further mining operations in the US & MENA region.
- PHX ranked among the top performing stocks on ADX in Q2, 2025, with strong momentum carrying into Q3, 2025
- Phoenix Group mined a total of 336 BTC in Q2 2025, reflecting steady operational performance despite industry-wide headwinds and rising network difficulty.
- Phoenix Group has become First ADX-Listed entity to establish a crypto treasury strategy. The Group's active treasury, valued at over \$150 million, is primarily composed of Bitcoin and Solana, with 514 BTC and over 630,000 SOL held as part of its long-term reserve.
- Phoenix Group's leadership remained active globally, with the Group CEO attending the Bitcoin Conference in Las Vegas, and the CEO of Mining speaking at the Bittman's World Digital Mining Summit, Las Vegas and Crypto Expo, Dubai 2025.
- Phoenix continues to execute its growth strategy through disciplined capital allocation, supported by strong liquidity and a debt-free expansion approach—ensuring it remains financially agile while scaling operations.

SUMMARY OF PROFIT AND LOSS DURING THE PERIOD

All numbers in USD

	Q2'25	Q2'24	Q1'25	Y/Y	Q/Q
Gross Revenue	29,132,305	51,206,667	31,259,736	-43%	-7%
Self Mining	21,063,328	28,516,867	20,673,355	-26%	2%
Hosting	4,428,615	17,675,899	3,788,830	-75%	17%
Trading	3,640,362	5,013,901	6,797,551	-27%	-46%
Gross Margin	28%	34%	20%	-6.5 pp	8 pp
Self Mining	31%	39%	30%	-7.9 pp	2 pp
Hosting	27%	16%	-9%	11 pp	36 pp
Trading	9%	71%	7%	-62 pp	3 pp
Hash Rate Avg (EH/s)	13.1	15.0	14.2	-12%	-8%
Contribution in global hash rate	1.5%	2.6%	1.7%	-1.2 pp	-0.3 pp

SUMMARY OF FINANCIAL POSITION AT THE END OF THE FINANCIAL PERIOD

Total Digital Assets: USD 295M

Total Assets: USD 782M

Total Equity: USD 732M

OPERATIONAL METRICS FOR THE FINANCIAL PERIOD

Overall Business

BTC Mining Per Day : 3.7

Hashing Share in the Network : 1.5%

Mining Efficiency : 26.0 MW /EHs

Current Power Consumption : ~341 MW

Power Cost Per KWHr : 5.2cent

Business Verticals

• Self Mining

Hash Rate : 4.7 EHs

Hashing Share : 0.53%

BTC Mined Per Day : 2.36

Power Consumption : ~111 MW

Mining Efficiency : 23.7 MW / EHs

• Hosting

Hash Rate : 1.36 EHs

Hashing Share : 0.15%

BTC Mined Per Day : 0.78

Power Consumption : ~26.4 MW

Mining Efficiency : 19.42 MW / EHs

• JV Investments

Hash Rate : 7.07 EHs

Hashing Share : 0.8%

BTC Share Per Day : 0.55

Power Consumption : ~203 MW

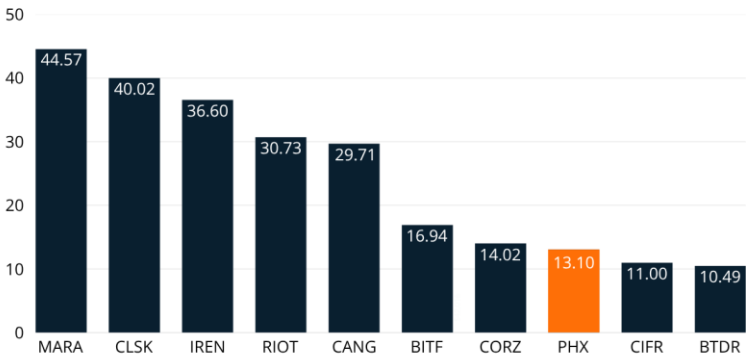
(Incl. CITADEL & Others)

RECENT EVENTS SHAPING
THE INDUSTRY AND ITS
IMPACT ON THE
COMPANY AND THE
SECTOR

- BTC Performance**
Bitcoin maintained its lead among asset classes, delivering an impressive 30.7% return in the second quarter of 2025. This remarkable performance further solidifies its position as a powerhouse in the investment landscape.
- Crypto Ownership on the Rise**
Rising crypto ownership signals a global shift toward decentralized financial control, tech-driven wealth strategies, and market independence. The UAE ranks 3rd globally in crypto adoption, with 25% of its population owning digital assets.
- Pro-Crypto US Administration Boosts Confidence**
The support of a pro-crypto U.S. administration has injected fresh optimism into digital asset markets, signaling long-term regulatory clarity and innovation.
- Crypto ETFs Gaining Ground**
The rapid growth of crypto ETFs since early 2024 are breaking down barriers to digital asset exposure, offering mainstream investors a regulated and accessible pathway into the crypto market. As institutional interest climbs, these products are driving legitimacy, liquidity, and long-term stability across the sector.

SUMMARY OF PEER
COMPARISON VIS.A.VIS
REGIONAL AND
INTERNATIONAL BTC
MINERS

REALIZED HASHRATE OF TOP 10
BITCOIN MINING COMPANIES



FUTURE PLANS FOR GROWTH AND CHANGES IN OPERATIONS IN FUTURE PERIODS

- Phoenix is accelerating its expansion into the US to strengthen its position as a global leader in mining infrastructure and advance its broader diversification strategy.
- HPC and AI-driven growth present a strategic diversification opportunity for Phoenix Group beyond crypto mining. The company is actively exploring this by allocating part of its existing US site for a prototype setup and completing a feasibility study.
- Phoenix is actively pursuing joint ventures to expand its global footprint by developing crypto mining and AI data centres, aiming to scale its total operational capacity to 1 GW.
- Phoenix will continue to explore additional exchange listing internationally as a strategic step to enhance visibility, attract institutional capital, and improve share liquidity.
- Phoenix Group remains committed to growing and diversifying its crypto treasury, with further details on its evolving strategy to be shared in the coming months.

THE DEVELOPMENTS OF THE IMPLEMENTATION OF PROJECTS, PLANS AND TRANSACTIONS AND DEALS THAT WERE DISCUSSED BY THE COMPANY'S BOARD OF DIRECTORS IN THE REPORT FOR THE PREVIOUS FISCAL YEAR

The company's board of directors noted the progress in implementation of the company's strategy and continued efforts for good corporate governance and have demonstrated their support through several board meetings held during the period.

DISCLAIMER

This document contains forward-looking statements, which involve both known and unknown risks and uncertainties, many of which are beyond Phoenix's control. These statements are based on Phoenix's current beliefs and expectations regarding future events and may include terms such as "expects," "may," "will," "could," "should," "intends," "plans," "predicts," "continues," "assumes," "targets," and similar expressions.

Forward-looking statements cover matters beyond historical facts, appearing throughout this document to reflect Phoenix's expectations regarding financial performance, business strategy, growth prospects, and industry trends. Specifically, statements related to risk factors, strategic objectives, and other future developments may be categorized as forward-looking.

Actual results may differ materially due to various risks and uncertainties. Consequently, no assurance can be given that projected outcomes will be realized, as unforeseen circumstances could influence future performance. These statements are made as of the date of this document, and Phoenix expressly disclaims any obligation to update them unless required by applicable laws and regulations. Accordingly, readers should not place undue reliance on the forward-looking statements included herein. Additionally, references to agreements or other documents are summaries and should be considered selective and incomplete.

Q2 2025

MANAGEMENT DISCUSSION & ANALYSIS



FOR FURTHER DETAILS, PLEASE FEEL FREE TO REACH OUT TO US AT

Soheib Ghizali — Head of Investor Relations



Contact

+971 4 323 9120



Email

soheib@phoenixgroupuae.com

Abu Dhabi, United Arab Emirates



Contact

+971 4 323 9120



Address

3412, 34 Floor, Al Maqam Tower, Regus Adgm Square, Al Maryah Island,
Abu Dhabi, UAE

Dubai, United Arab Emirates



Contact

+971 4 323 9120



Address

Office 2901, Floor 29, Boulevard Plaza Tower 2, Burj Khalifa District,
Downtown, Dubai, UAE