



Q1 2025

**Management
Discussion & Analysis**

NAME OF THE LISTED
COMPANY

PHOENIX GROUP PLC

THE PERIOD OF THE
FINANCIAL STATEMENTS
COVERED BY THE REPORT

First Quarter 2025 (Q1'2025)

OVERVIEW OF THE RESULTS
DURING THE FINANCIAL
PERIOD

Phoenix Group PLC (ADX: PHX) is pleased to announce its Q1'25 results with the following highlights.

- Phoenix Group contributed an average of 14.2 EH/s in Q1'25, with its share in the global network slightly down to 1.7%.
- Self-mining gross margin rose to 30% (up from 24%) driven by a 17% improvement in mining efficiency to 25.4 J/TH, supported by new U.S. sites equipped with S21 miners.
- The Company reported gross profit of \$6.3 million, while operating expenses totaled \$9 million, reflecting increased costs associated with scaling operations globally.
- Phoenix Group generated a total of 353.47 BTC in Q1'25, comprising 222.2 BTC from self-mining, 66.47 BTC from hosting operations, and 64.8 BTC through its share in joint ventures.
- Bitcoin's average price improved by 12% from \$83K in Q4'24 to \$94K in Q1'25, but gains were offset by a 12.5% decrease in mining rewards due to higher network difficulty.
- Phoenix continues to fund its growth strategy through a disciplined capital allocation approach, supported by liquidity reserves and a strong balance sheet and no expansion debt on its books, enabling the Company to execute growth without compromising financial flexibility.
- The Company also reported an unrealized EBITDA loss of USD 146M in Q1, driven by a decline in digital asset prices and global macroeconomic factors. These assets have already begun to rebound in Q2, and a continued recovery is expected to return these assets to profitability by Q3 2025.

SECURITIES ISSUED DURING
THE FINANCIAL PERIOD

None

SUMMARY OF THE MOST
IMPORTANT NON-FINANCIAL
EVENTS AND DEVELOPMENTS
DURING THE FINANCIAL
PERIOD

Key developments for the period ended Mar-25:

- Launch of new sites in Texas and Ethiopia Totalling 72 MW.
- In discussion with several entities to expand mining operations further in the MENASA region.
- Senior management engaged with industry experts, investors, and innovators at the Cantor Tech Conference in New York, USA.
- The team also provided an exclusive first-ever inside look into one of the largest Bitcoin mining facilities in the Middle East, operated by Phoenix Group

SUMMARY OF THE
REVENUE DURING THE
FINANCIAL PERIOD

All figures in USD

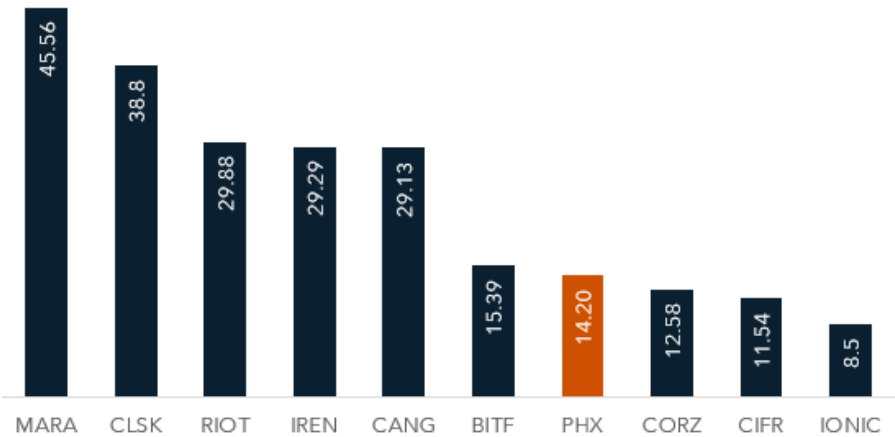
	Q1'25	Q1'24	Q4'24	Y/Y	Q/Q
Gross Revenue	31,259,736	68,932,065	49,573,412	-55%	-37%
Self Mining	20,673,355	21,599,865	30,092,189	-4%	-31%
Hosting	3,788,830	19,662,375	4,123,436	-81%	-8%
Trading	6,797,551	27,669,825	15,357,787	-75%	-56%
Gross Margin	20%	34%	-48%	-13.7 pp	69 pp
Self Mining	30%	49%	24%	-18.8 pp	7 pp
Hosting	-9%	7%	4%	-15.1 pp	-13 pp
Trading	6%	41%	-204%	-35.2 pp	210 pp
Hash Rate Avg (EH/s)	14.2	16.1	15.0	-12%	-5%
Contribution in global hash rate	1.7%	2.6%	1.9%	-0.9 pp	-0.2 pp

SUMMARY OF
FINANCIAL POSITION
AS AT THE END OF THE
FINANCIAL PERIOD

Total Digital Assets: USD 301M
Total Assets: USD 810M
Total Equity: USD 750M

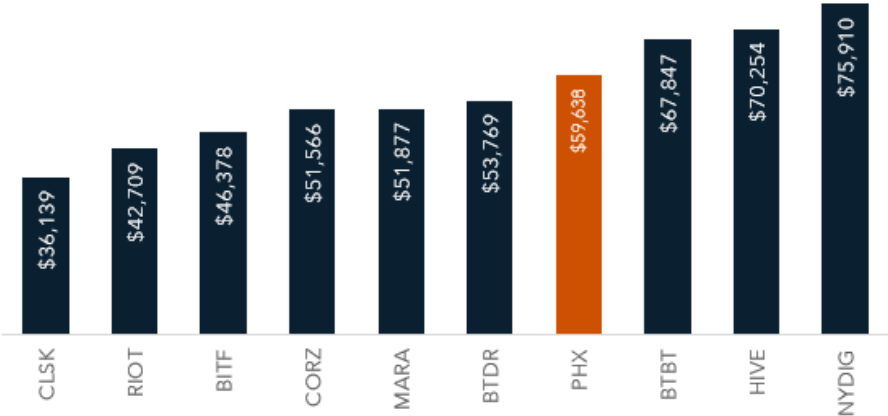
SUMMARY OF PEER
COMPARISON VIS.A.VIS
REGIONAL AND
INTERNATIONAL BTC
MINERS

REALIZED HASHRATE OF TOP 10
BITCOIN MINING COMPANIES



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

IMPLIED COST OF MINING 1 BTC
(USD / BTC - Figures as of Q4,2024 -
from proprietary hash rate)



EXPECTATIONS
REGARDING THE
ECONOMY AND ITS
IMPACT ON THE
COMPANY AND THE
SECTOR

Trump’s Pro-Crypto Momentum

President Trump’s return reignited optimism in the crypto space, with Bitcoin hitting a record \$108,786 on his inauguration day (Jan 20). His administration announced:

- A Digital Asset Working Group
- Plans for a federal Bitcoin reserve.
- State-level initiatives supporting Bitcoin and crypto pension investments

Several indicators hint at a potential rebound:

- Shrinking exchange reserves may trigger a supply shock
- A weaker dollar and potential Fed easing could support risk assets
- Rising institutional and sovereign adoption may spark momentum-driven growth in 2025

FUTURE PLANS FOR GROWTH AND CHANGES IN OPERATIONS IN FUTURE PERIODS

- Accelerate expansion into the US market, solidifying our position as a global leader in mining infrastructure, and reinforcing our global diversification strategy.
- HPC and AI-driven advancement offer Phoenix Group a key diversification avenue beyond crypto mining, with the company strategically positioned to leverage this by dedicating a portion of an existing site for prototype setup and completing a feasibility study.
- Phoenix will actively seek joint venture opportunities to expand and establish crypto mining data centers worldwide, enhancing its global presence and operational capacity.
- Phoenix will continue to actively explore a US exchange listing as a strategic move to boost market visibility, attract institutional investors, and strengthen liquidity.

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.

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MANAGEMENT DISCUSSION & ANALYSIS



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

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