

# **Phoenix Group PLC**

## **DIRECTORS' REPORT AND CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025

## Phoenix Group PLC

### **Directors' report and condensed consolidated interim financial statements** *for the nine-month period ended 30 September 2025*

<i><b>Contents</b></i>	<i><b>Pages</b></i>
Directors' report	1
Independent auditor's review report	2
Condensed consolidated interim statement of financial position	3 - 4
Condensed consolidated interim statement of profit or loss	5
Condensed consolidated interim statement of comprehensive income	6
Condensed consolidated interim statement of changes in equity	7
Condensed consolidated interim statement of cash flows	8 - 9
Notes to the condensed consolidated interim financial statements	10 - 34

# Phoenix Group PLC

## Directors' report

*for the nine-month period ended 30 September 2025*

The Directors have the pleasure in submitting this report, together with the reviewed condensed consolidated interim financial statements of the Phoenix Group PLC (the "Company") and its subsidiaries (collectively referred to as the "Group") for the nine-month period ended 30 September 2025.

### Principal activities

The Group is a technology conglomerate bringing cutting-edge blockchain solutions to an expansive market. The Group offers a comprehensive range of services, from high-performance computing machines trading and data centre hosting. The Group develops, operates, and manages highly specialised data centres, hosting high- performance computing power for digital asset across the UAE, Oman, USA, Ethiopia and Canada. Additionally, the Group also hosts, operates and maintains equipment within its existing data centres and enables investment opportunities within cloud mining.

The Group is the distributor of industry-leading equipment manufacturer MicroBT and prominent distributor of Digital wallet ledgers and CoolWallets, across the Middle East. The Group has four business verticals including trading, hosting, mining and investments.

### Results for the period

For the nine-month period ended 30 September 2025, the Group reported revenue of USD 92,328 thousand (30 September 2024 (unaudited): USD 156,113 thousand) and loss for the period attributable to the shareholders of USD 229,133 thousand (30 September 2024 (unaudited): profit of USD 169,842 thousand).

### Going concern

The attached condensed consolidated interim financial statements have been prepared on a going concern basis. While preparing the condensed consolidated interim financial statements, the management has made an assessment of the Group's ability to continue as a going concern. The management has not come across any evidence that causes it to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Group's ability to continue as a going concern.

### Transactions with related parties

Related party transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations. Related party transactions are disclosed in note 14 of the accompanying condensed consolidated interim financial statements.

### Directors

- H.E Tareq Abdulraheem Ahmed Rashed Alhosani
- Elham Alqasim
- Munaf Ali
- Fady M Y Dahalan

### Independent auditors

RAI LLP was appointed as the external auditors for the financial year 2025, in the annual general meeting held on 22 April 2025.

On behalf of the Board of Directors

Signed by:  
  
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**H.E. Tareq Abdulraheem Al Hosani**  
 Chairman of the board

## Independent Auditor's Review Report

To: The Shareholders of Phoenix Group PLC

### *Introduction*

We have reviewed the accompanying condensed consolidated interim statement of financial position of Phoenix Group PLC (referred to as the "Company") and its subsidiaries (referred to as the "Group") as at 30 September 2025 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three and nine-month periods then ended and interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and explanatory notes.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Emphasis of matter*

We draw attention to Note 2 in the condensed consolidated interim financial statements, which states that the Group's condensed consolidated interim financial statements have been prepared under the going concern basis of accounting, based on the significant assumption that the Group is able to generate sufficient cash flows in the foreseeable future to meet its obligations as and when they fall due through the liquidation and sale of digital assets. Our conclusion is not modified in respect of this matter.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements is not prepared, in all material respects, in accordance with International Accounting Standards 34 - Interim Financial Reporting.

For RAI LLP,



**Ashraf Eradhun**

28 October 2025

Abu Dhabi, United Arab Emirates

## Phoenix Group PLC

### Condensed consolidated interim statement of financial position as at 30 September 2025

		<i>As at</i> <b>30 September</b> <b>2025</b>	<i>As at</i> <b>31 December</b> <b>2024</b>
	<b>Notes</b>	<b>USD'000</b> <b>(unaudited)</b>	<b>USD'000</b> <b>(audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	315,509	252,190
Right-of-use asset		-	447
Intangible assets		503	848
Investment in associates	6	42,368	53,660
Other financial asset at FVTPL	7	691	-
Deferred tax asset	30	-	380
Advances and deposits	11	23,129	138,551
		<u>382,200</u>	<u>446,076</u>
<b>Current assets</b>			
Digital assets	8	328,881	441,528
Inventories	9	241	845
Trade receivables	10	10,524	26,538
Advances, deposits and other receivables	11	13,412	26,824
Due from related parties	14	80	250
Cash and short-term deposits	12	14,746	20,310
		<u>367,884</u>	<u>516,295</u>
<b>Total assets</b>		<u><b>750,084</b></u>	<u><b>962,371</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13(i)	164,706	164,706
Share premium	13(i)	345,882	345,882
Other reserves	13(ii)	14,369	18,524
Statutory reserve		14	14
Retained earnings		163,446	362,898
Own shares	13(iii)	-	(263)
<b>Total equity</b>		<u><b>688,417</b></u>	<u><b>891,761</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Employees' end of service benefits	15	1,110	1,312
Interest-bearing loans	16	3,166	3,376
Shareholders' loan	14	-	9,318
		<u><b>4,276</b></u>	<u><b>14,006</b></u>

## Phoenix Group PLC

### Condensed consolidated interim statement of financial position *(continued)* as at 30 September 2025

		<i>As at</i> <b>30 September</b> <b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<i>As at</i> <b>31 December</b> <b>2024</b> <b>USD'000</b> <b>(audited)</b>
	<b>Notes</b>		
<b>Current liabilities</b>			
Lease liability		-	390
Interest-bearing loans	16	37,206	15,180
Shareholders' loan	14	-	10,000
Trade payables		3,543	3,667
Due to related parties		3	-
Corporate tax provision	30	1,202	-
Other liabilities	17	15,437	27,367
		<u>57,391</u>	<u>56,604</u>
<b>Total liabilities</b>		<u>61,667</u>	<u>70,610</u>
<b>Total equity and liabilities</b>		<u>750,084</u>	<u>962,371</u>

These condensed consolidated interim financial statements were authorised for issue on 28 October 2025 and signed by:

Signed by:



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**H.E. Tareq Abdulraheem Al Hosani**  
Chairman of the board

Signed by:



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**Munaf Ali**  
Group CEO & Board Member

## Phoenix Group PLC

### Condensed consolidated interim statement of profit or loss for the period ended 30 September 2025

	Notes	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
		2025 USD'000 (unaudited)	2024 USD'000 (unaudited)	2025 USD'000 (unaudited)	2024 USD'000 (unaudited)
Revenue	20	31,936	35,974	92,328	156,113
Other operating income	21	642	18	2,169	360
		32,578	35,992	94,497	156,473
<u>Expenses</u>					
Self-mining electricity costs		(12,082)	(25,226)	(41,049)	(53,686)
Hosting electricity costs		(3,672)	(6,039)	(11,013)	(39,244)
Cost of inventory consumed	22	(3,936)	(1,407)	(13,590)	(13,115)
Staff costs	23	(3,542)	(4,611)	(11,672)	(12,335)
Other operating expenses	24	(8,540)	(4,218)	(17,690)	(12,355)
Foreign exchange gain / (loss)		153	(7)	164	(35)
<b>Adjusted EBITDA*</b>		<b>959</b>	<b>(5,516)</b>	<b>(353)</b>	<b>25,703</b>
Depreciation and amortisation	26	(10,281)	(6,584)	(28,038)	(7,696)
<b>Operating (loss) / profit</b>		<b>(9,322)</b>	<b>(12,100)</b>	<b>(28,391)</b>	<b>18,007</b>
Share of results of associates – net of tax		(3,372)	(3,951)	(8,081)	(3,498)
Unrealised gain/(loss) on digital assets at FVTPL		11,830	68,843	(154,232)	202,112
Unrealised gain/(loss) on other financial assets at FVTPL		47	-	(134)	-
Realised gain on sale of digital assets at FVTPL		1,986	3,623	9,957	4,696
Provision, impairments and write-down (reversals), net	25	(46,438)	(3,146)	(45,661)	(25,938)
Finance income		-	-	117	1,106
Finance costs	28	(426)	(617)	(1,126)	(9,499)
<b>Profit/(loss) before tax for the period</b>		<b>(45,695)</b>	<b>52,652</b>	<b>(227,551)</b>	<b>186,986</b>
Income tax expense	30	(669)	(5,094)	(1,582)	(17,144)
<b>Profit/(loss) for the period attributable to the shareholders</b>		<b>(46,364)</b>	<b>47,558</b>	<b>(229,133)</b>	<b>169,842</b>
<b>(Loss) / earnings per share</b>					
Basic and diluted (USD)	27	<b>(0.008)</b>	0.008	<b>(0.038)</b>	0.028

\*Adjusted EBITDA is a non-IFRS measure and refers to earnings before finance income/(costs), tax, depreciation, amortisation, fair value gain (losses) on digital assets (both realised and unrealised), unrealised loss on financial asset at FVTPL, provision, impairments and write-down and share of results of associates.

The notes 1 to 33 form an integral part of these condensed consolidated interim financial statements.

## Phoenix Group PLC

### Condensed consolidated interim statement of comprehensive income for the period ended 30 September 2025

	Notes	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
		2025	2024	2025	2024
		USD'000 (unaudited)	USD'000 (unaudited)	USD'000 (unaudited)	USD'000 (unaudited)
<b>Profit/(loss) for the period attributable to the shareholders</b>		<b>(46,364)</b>	47,558	<b>(229,133)</b>	169,842
<b><i>Other comprehensive income/(loss)</i></b>					
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>					
Exchange (loss) / gain on translation of foreign subsidiaries - net of taxes		<b>(564)</b>	6	<b>(646)</b>	(4)
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>					
Share of other comprehensive income from associate – net of tax	6	<b>221</b>	-	<b>2,085</b>	34,454
Gain on revaluation of digital assets – net of tax	8	<b>3,254</b>	794	<b>8,783</b>	969
<b>Other comprehensive income for the period</b>		<b>2,911</b>	800	<b>10,222</b>	35,419
<b>Total comprehensive income/(loss) for the period attributable to the shareholders</b>		<b>(43,453)</b>	48,358	<b>(218,911)</b>	205,261

The notes 1 to 33 form an integral part of these condensed consolidated interim financial statements.



## Phoenix Group PLC

### Condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2025

	Share capital <i>Note 13(i)</i> USD'000	Share premium <i>Note 13(i)</i> USD'000	Other reserves <i>Note 13(ii)</i> USD'000	Contribution from shareholders USD'000	Statutory reserve USD'000	Retained earnings USD'000	Own shares USD'000	Total equity USD'000
At 1 January 2024 (audited)	164,706	345,882	24,511	24,995	14	137,012	-	697,120
Profit for the period	-	-	-	-	-	169,842	-	169,842
Other comprehensive income	-	-	35,419	-	-	-	-	35,419
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>35,419</b>	<b>-</b>	<b>-</b>	<b>169,842</b>	<b>-</b>	<b>205,261</b>
Repayment of capital contribution	-	-	-	(24,995)	-	-	-	(24,995)
Own shares purchased	-	-	-	-	-	-	(618)	(618)
Depreciation on revalued asset	-	-	(510)	-	-	510	-	-
Loss on sale of own shares sold	-	-	-	-	-	(1,646)	-	(1,646)
<b>At 30 September 2024 (unaudited)</b>	<b>164,706</b>	<b>345,882</b>	<b>59,420</b>	<b>-</b>	<b>14</b>	<b>305,718</b>	<b>(618)</b>	<b>875,122</b>
At 1 January 2025 (audited)	164,706	345,882	18,524	-	14	362,898	(263)	891,761
Loss for the period	-	-	-	-	-	(229,133)	-	(229,133)
Other comprehensive income	-	-	10,222	-	-	-	-	10,222
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>10,222</b>	<b>-</b>	<b>-</b>	<b>(229,133)</b>	<b>-</b>	<b>(218,911)</b>
Own shares sold (net of purchases) (Note 13 (iii))	-	-	-	-	-	-	263	263
Realised gain transferred to retained earnings (Note 13 (ii) (c))	-	-	(14,158)	-	-	14,158	-	-
Depreciation on revalued asset (Note 13 (ii) (a))	-	-	(219)	-	-	219	-	-
Waiver of shareholder loan (Note 14 (ii) (d))	-	-	-	-	-	15,318	-	15,318
Loss on sale of own shares sold ((Note 13 (iii))	-	-	-	-	-	(14)	-	(14)
<b>At 30 September 2025 (unaudited)</b>	<b>164,706</b>	<b>345,882</b>	<b>14,369</b>	<b>-</b>	<b>14</b>	<b>163,446</b>	<b>-</b>	<b>688,417</b>

The notes 1 to 33 form an integral part of these condensed consolidated interim financial statements.

## Phoenix Group PLC

### Condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2025

		<i>Nine-month period ended 30 September (unaudited)</i>	
		2025	2024
	Notes	USD'000	USD'000
<b>Operating activities</b>			
(Loss)/profit before tax for the period		(227,551)	186,986
<b>Adjustments for:</b>			
Depreciation on property and equipment	26	27,538	7,483
Amortisation on intangible assets	26	345	38
Depreciation on right-of-use asset	26	155	175
Share of results of associates	6	8,081	3,498
Loss/(gain) on digital assets at FVTPL	8	154,232	(202,112)
Loss on other financial asset at FVTPL	7	134	-
Loss on termination of lease		38	
Realised gain on sale of digital assets – FVTPL	8	(9,957)	(4,696)
Impairment loss on inventory	25	-	18,188
Inventory written off	25	29	5,955
Impairment of assets	25	48,135	
Asset written off	25	485	-
Employees' end of service benefits provision	15	344	308
(Reversal) / allowance for expected credit losses	25	(829)	1,320
Finance costs	28	1,126	9,499
Finance income		(117)	(1,106)
		<b>2,188</b>	<b>25,536</b>
<b>Changes in working capital:</b>			
Inventories		(128,325)	(89,188)
Trade receivables		16,843	22,337
Advances, deposits and other receivables		128,834	116,793
Due from related parties		170	(191)
Digital assets		(7,077)	46,538
Trade payables		(123)	17,690
Other liabilities		(11,930)	(29,980)
Due to related parties		3	(12)
		<b>583</b>	<b>109,523</b>
Employees' end of service benefits paid	15	(546)	(22)
Finance income received		117	1,106
<b>Net cash generated from operating activities</b>		<b>154</b>	<b>110,607</b>
<b>Investing activities</b>			
Purchase of property and equipment	5	(10,577)	(35,733)
Investment in an associate	6	(10,473)	(8,375)
Advances and deposits made on property and equipment		-	(184,960)
Investment in other financial asset at FVTPL		(825)	-
Purchase of intangible assets		-	(5)
<b>Net cash flows used in investing activities</b>		<b>(21,875)</b>	<b>(229,073)</b>

## Phoenix Group PLC

### Condensed consolidated interim statement of cash flows *(continued)* for the nine-month period ended 30 September 2025

		<i>Nine-month period ended 30 September (unaudited)</i>	
		2025	2024
	Notes	USD'000	USD'000
<b>Financing activities</b>			
Repayment of amount due to related party	14	-	(54,698)
Proceeds from interest-bearing loans	16	64,708	15,000
Repayment of interest-bearing loans	16	(42,892)	(122)
Finance cost paid		(1,126)	(9,215)
Payment of lease liability		(136)	
Advances and net sales / (purchases) of own shares		249	(2,264)
Payment of lease liability		-	(136)
Repayment of shareholders' loan	14	(4,000)	-
Repayment of capital contribution to shareholder		-	(24,995)
<b>Net cash flows generated from / (used in) financing activities</b>		<b>16,803</b>	<b>(76,430)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(4,918)</b>	<b>(194,896)</b>
Net foreign exchange difference		(646)	(4)
Cash and cash equivalents at 1 January		20,310	198,165
<b>Cash and cash equivalents at 30 September</b>	12	<b>14,746</b>	<b>3,265</b>

#### Significant non-cash transactions

Loan from M2 Capital Holding Limited and its settlement in the form of BTC	8	-	12,081
Dividend from an associate	6	15,769	92,496
Waiver of shareholders' loan	14	15,318	-

The cash and cash equivalents stated above do not include liquid digital assets valued at USD 2,509 thousand, as detailed in Note 8(c) and Note 12. Since the Group actively uses these assets in its daily operations, they are considered as an integral part of the active treasury and are treated as equivalent to cash by the Group.

# Phoenix Group PLC

## Notes to the condensed consolidated interim financial statements for the nine-month period ended 30 September 2025

### 1 Corporate information

Phoenix Group PLC (the “Company”) was incorporated on 2 August 2022, as a Private Company Limited by Shares in Abu Dhabi Global Market – Abu Dhabi, United Arab Emirates. On 24 November 2023, the Company issued shares to the public, and its ordinary shares were subsequently listed on the Abu Dhabi Securities Exchange (ADX) on 5 December 2023. The registered address of the Company is 3412 ResCo-work10, 34 Floor, Al Maqam Tower, Regus ADGM Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

The Group is a technology conglomerate bringing cutting-edge blockchain solutions to an expansive market. The Group offers a comprehensive range of services, from high-performance computing machines trading and data centre hosting. The Group develops, operates, and manages highly specialised data centres, hosting high- performance computing power for digital asset across the UAE, Oman, USA, Ethiopia and Canada. Additionally, the Group also hosts, operates and maintains equipment within its existing data centres and enables investment opportunities within cloud mining.

The Group is the distributor of industry-leading equipment manufacturer MicroBT and prominent distributor of Digital wallet ledgers and CoolWallets, across the Middle East. The Group has four business verticals including trading, hosting, mining and investments.

These condensed consolidated interim financial statements include the financial performance and position of the Company, its subsidiaries (collectively referred to as the “Group”) and the Group’s interest in its equity-accounted investees.

### 2 Summary of material accounting policies

The principal accounting policies applied by the Group in the preparation of these condensed consolidated interim financial statements are consistent with those applied by the Group in the annual consolidated financial statements for the year ended 31 December 2024, except for the changes in accounting policies explained in Note 2.2.

#### 2.1 Basis of preparation

##### Statement of compliance

These condensed consolidated interim financial statements for the nine-month period ended 30 September 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB).

These condensed consolidated interim financial statements should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2024 (‘last annual financial statements’). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain event and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements. In addition, results for the nine-month period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

##### Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for digital assets, other financial assets measured at fair value through profit or loss and building, which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

##### Going concern assessment

The condensed consolidated interim financial statements of the Group have been prepared on a going concern basis, as management is confident in the Group’s ability to continue its business activities and settle its financial obligations as and when they fall due. In assessing the appropriateness of the going concern basis of accounting, management has prepared cash flow forecasts for the next 12 months from the reporting date. The cash flow forecasts include certain key assumptions regarding the estimated cash inflows from realisation on sale of digital assets as defined in note 8, these digital assets are subject to market volatility of crypto industry.

# Phoenix Group PLC

## Notes to the condensed consolidated interim financial statements *(continued)* *for the nine-month period ended 30 September 2025*

### 2 Summary of material accounting policies *(continued)*

#### 2.1 Basis of preparation *(continued)*

##### Going concern assumption *(continued)*

The Group's management remains confident in its ability to navigate the volatility associated with digital assets and has demonstrated effective liquidity management through the utilisation of these assets for daily operational expenses. This proactive approach highlights management's commitment to maintaining the Group's financial stability and ensuring the continuity of operations.

Management continues to monitor the market conditions closely and is prepared to take further steps if necessary to ensure that adequate liquidity levels are maintained. Based on these considerations, management is satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Consequently, the condensed consolidated interim financial statements have been prepared on a going concern basis.

#### 2.2 Changes in accounting policies and disclosures

##### *(a) New and amended standards adopted by the Group*

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective:

- Lack of exchangeability (Amendments to IAS 21)

The amendment had no significant impact on the condensed consolidated interim financial statements of the Group.

##### *(b) Standards issued but not yet effective*

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's condensed consolidated interim financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Presentation and Disclosure in Financial Statements (IFRS 18)
- Subsidiaries without Public Accountability: Disclosures (IFRS 19)
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual improvements to IFRS Accounting Standards (Volume 11)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Subsidiaries without Public Accountability: Disclosure (Amendments to IFRS 19)

The Group is in the process of assessing the impact of the above standards and amendments on the condensed consolidated interim financial statements.

### 3 Significant accounting judgements, estimates and assumptions

In preparing these condensed consolidated interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements for the year ended 31 December 2024, except for below:

- estimates made with respect to investment in financial asset at FVTPL (Note 7);
- impairment of fixed assets; and
- change in estimated value for digital assets.

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 3 Significant accounting judgements, estimates and assumptions *(continued)*

##### Impairment of fixed assets

During the period ended 30 September 2025, management of the Company has identified indicators of impairment in respect of the cash-generating unit (“CGU”) at the South Carolina site. In particular, the increase in electricity rates has resulted in projections of unviable profits, and management has concluded to cease operations at the site permanently.

The CGU comprises the following major asset classes:

- Data centres (i.e., civil works)
- Mining equipment (“miners”)
- Machinery (transformers and cooling machines)

Management has determined that while the miners and the machinery will be redeployed and used at other sites, the data-centres (civil works) are not redeployable. Accordingly, an impairment loss of USD 48,135 thousand has been recognised on the carrying amount of the data-centre civil works component of the CGU, and no impairment loss has been recognised on the miners and the machinery that will continue in use.

Management has assessed that the abandonment of operations at the South Carolina site does not meet the definition of a discontinued operation under IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, based on the following considerations:

- The Group operates self-mining facilities across the USA, Canada, Oman and Ethiopia.
- The cessation relates to a single mining site within the Group’s broader U.S. mining portfolio and therefore does not represent a separate major line of business or a separate major geographical area of operations.
- The Group continues to operate other mining sites within the United States and other jurisdictions, which collectively account for a significant portion of total self-mining revenue and assets.
- The decision to cease operations was driven by unfavourable electricity tariffs specific to this site rather than a strategic shift in the Group’s overall mining business.
- The related redeployable assets (such as transformers and containers) will continue to be utilised within ongoing operations at other sites, indicating that the business activity itself continues elsewhere.

Accordingly, the closure of the South Carolina site has been treated as part of continuing operations, and the related impairment loss has been recognised within continuing operations in the condensed consolidated interim statement of profit or loss.

##### Change in estimate for digital assets

The Group holds SOL tokens under a lock-in period and accordingly applies a discount to their market price to reflect illiquidity. As the lock-in period is nearing expiry in December 2025, the discount rate has been revised from 10% to 5% effective from 30 September 2025, representing a change in estimate in line with IFRS 13 and IAS 8. The change in estimate resulted in an increase in fair value of USD 6,708 thousand recognised in the condensed consolidated interim statement of profit or loss.

#### 4 Fair value estimation

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction. Consequently, differences can arise between carrying values and the fair value.

While the Group prepares its condensed consolidated interim consolidated financial statements under the historical cost convention, except for certain items measured at fair value, including digital assets, building and investment in other financial assets. In the opinion of management, the carrying values and fair values of those financial assets and liabilities that are not carried at fair value in the condensed consolidated interim financial statements are not materially different, since assets and liabilities are either short term in nature or subject to frequently repricing.

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 4. Fair value estimation *(continued)*

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

*Level 1:* quoted (unadjusted) prices in active markets for identical assets or liabilities;

*Level 2:* other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

*Level 3:* techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The below table shows the hierarchy used by the Group for the assets and liabilities that are measured at fair value or for which fair value information is disclosed as at 30 September 2025 and 31 December 2024:

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
<b>30 September 2025 (unaudited)</b>				
<i>Assets which are at fair value</i>				
Building (Note 5)	-	21,704	-	21,704
Other financial assets (Note 7)	-	382	309	691
Digital assets (Note 8)	201,423	127,458	-	328,881
	<u>201,423</u>	<u>149,544</u>	<u>309</u>	<u>351,276</u>
 31 December 2024 (audited)				
<i>Assets which are at fair value</i>				
Building (Note 5)	-	21,704	-	21,704
Digital assets (Note 8)	337,393	104,135	-	441,528
	<u>337,393</u>	<u>125,839</u>	<u>-</u>	<u>463,232</u>

On a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the period between 30 September 2025 and 31 December 2024, there are no transfers within the levels of fair value measurements.

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 5 Property and equipment

	Building (Note 5.1) USD'000	Mining equipment USD'000	Data centres USD'000	Machinery USD'000	Furniture and fixtures USD'000	Office equipment USD'000	Motor vehicle USD'000	Capital work-in- progress USD'000	Total USD'000
<b>Cost:</b>									
At 1 January 2024	21,704	-	-	-	2,099	159	-	81,247	105,209
Additions	-	-	-	11	375	111	51	44,507	45,055
Transfers from inventories (Note 5.4)	-	87,811	-	140	-	-	-	58,863	146,814
Transfers from CWIP	-	-	46,457	50,668	309	-	-	(97,434)	-
Transferred to inventories (Note 5.3)	-	(19,866)	-	-	-	-	-	-	(19,866)
Transferred to deposits and other assets	-	-	-	-	-	-	-	(7,588)	(7,588)
Write-offs	-	-	(472)	-	-	-	-	(3,812)	(4,284)
<b>At 31 December 2024 (audited)</b>	<b>21,704</b>	<b>67,945</b>	<b>45,985</b>	<b>50,819</b>	<b>2,783</b>	<b>270</b>	<b>51</b>	<b>75,783</b>	<b>265,340</b>
Additions	-	-	-	60	3	16	29	10,469	10,577
Transfers from inventories (Notes 5.4 and 5.5)	-	23,911	-	105	-	-	-	118,363	142,379
Transfers from CWIP	-	55,763	8,942	14,808	17	-	-	(79,530)	-
Transfers to inventories (Note 5.3)	-	(14,605)	-	-	-	-	-	-	(14,605)
Impairment of assets (Note 5.6)	-	-	(29,355)	(21,904)	-	-	-	-	(51,259)
Write-offs (Note 25)	-	(24)	-	-	(663)	-	-	-	(687)
<b>At 30 September 2025 (unaudited)</b>	<b>21,704</b>	<b>132,990</b>	<b>25,572</b>	<b>43,888</b>	<b>2,140</b>	<b>286</b>	<b>80</b>	<b>125,085</b>	<b>351,745</b>
<b>Accumulated depreciation:</b>									
At 1 January 2024	516	-	-	-	649	75	-	-	1,240
Charge for the year	842	9,985	816	1,904	536	61	3	-	14,147
Transferred to inventories (Note 5.3)	-	(2,237)	-	-	-	-	-	-	(2,237)
<b>At 31 December 2024 (audited)</b>	<b>1,358</b>	<b>7,748</b>	<b>816</b>	<b>1,904</b>	<b>1,185</b>	<b>136</b>	<b>3</b>	<b>-</b>	<b>13,150</b>
Charge for the period	412	22,127	1,347	3,179	410	48	15	-	27,538
Transferred to inventories (Note 5.3)	-	(1,126)	-	-	-	-	-	-	(1,126)
Impairment of assets (Note 5.6)	-	-	(1,255)	(1,869)	-	-	-	-	(3,124)
Write-offs (Note 25)	-	-	-	-	(202)	-	-	-	(202)
<b>At 30 September 2025 (unaudited)</b>	<b>1,770</b>	<b>28,749</b>	<b>908</b>	<b>3,214</b>	<b>1,393</b>	<b>184</b>	<b>18</b>	<b>-</b>	<b>36,236</b>
<b>Net carrying amount:</b>									
<b>At 30 September 2025 (unaudited)</b>	<b>19,934</b>	<b>104,241</b>	<b>24,664</b>	<b>40,674</b>	<b>747</b>	<b>102</b>	<b>62</b>	<b>125,085</b>	<b>315,509</b>
At 31 December 2024 (audited)	20,346	60,197	45,169	48,915	1,598	134	48	75,783	252,190



## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 5 Property and equipment *(continued)*

- 5.1 The fair values were determined with reference to market-based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of the specific properties. The fair value of said building falls under level 2 of fair value hierarchy (i.e. significant observable inputs).
- 5.2 Capital work-in-progress (CWIP) pertains to data centers which are under construction in Ethiopia and USA. The management of the Group expects the projects relating to capital work-in-progress to be completed by the end of 2025.
- 5.3 During the period ended 30 September 2025, mining equipment costing USD 14,605 thousand (2024 (audited): USD 19,866 thousand) and accumulated depreciation of USD 1,126 thousand (2024 (audited): USD 2,237 thousand) is transferred to inventories. The transfers are made as per the Group's policy, which is mentioned in the Group's last annual consolidated financial statements as at and for the year ended 31 December 2024.
- 5.4 During the period ended 30 September 2025, mining equipment has been transferred from inventories to property and equipment, as a result, an amount of USD 23,911 thousand (2024 (audited): USD 87,811 thousand) has been reclassified from inventories to property and equipment and depreciation charge of USD 22,127 thousand (2024 (audited) USD 9,985 thousand) has been recognised during the period. The reclassification is made in line with the Group's policy, which is mentioned in the Group's last annual consolidated financial statements as at and for the year ended 31 December 2024.
- 5.5 The balance includes USD 2,898 thousand, out of the total USD 118,363 thousand, representing assets in-transit. These assets are expected to arrive during the last quarter of 2025 and will be capitalised upon installation of the miners at the respective sites.
- 5.6 Management assessed indicators of impairment for the Group's property, plant and equipment as at the reporting date. Except as noted below, the assets continue to operate in the normal course of business and no impairment indicators were identified.

During the period ended 30 September 2025, the management identified indicators of impairment in respect of the cash-generating unit (CGU) associated with the South Carolina site. The significant increase in electricity tariffs materially impacted the site's cost structure, resulting in projected losses and the loss of economic viability. Consequently, the management has decided to permanently cease mining operations at this location.

As of 30 September 2025, the South Carolina site comprised plant and machinery with a carrying amount of USD 30,174 thousand and data centres amounting to USD 31,022 thousand. During the period, management recognised an impairment loss of USD 20,035 thousand on plant and machinery and USD 28,100 thousand on data centres, representing the write-down of assets with negligible recoverable value following the decision to permanently cease operations at the site. The remaining assets, primarily comprising redeployable equipment that can be utilised at other operating sites within the Group, have not been impaired, as the management expects continued economic benefit from their future use.

Notwithstanding the decision to impair the self-mining operations at South Carolina Site, the management is evaluating potential alternative uses of the site, including the possible deployment of the infrastructure for artificial intelligence (AI)-related operations. Should such opportunities materialize, the site may be repurposed for AI initiatives.

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 6 Investment in associates

The balance of investment in associates in the condensed consolidated interim statement of financial position are as follows:

	<i>As at</i> <b>30 September</b> <b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<i>As at</i> <b>31 December</b> <b>2024</b> <b>USD'000</b> <b>(audited)</b>
Investment in Citadel Technologies Group Limited (Citadel)	42,368	53,660
Investment in Lyvely FZE (Lyvely)	-	-
Investment in Bitzero Blockchain Inc. (Bitzero)	-	-
Investment in M2 Holdings Limited (M2)	-	-
	<u>42,368</u>	<u>53,660</u>

The Group's interest in the associates are accounted for using the equity method in the condensed consolidated interim financial statements, and the movement is as follows:

	<b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<b>2024</b> <b>USD'000</b> <b>(audited)</b>
At 1 January	53,660	120,310
Additions – Citadel*	10,473	11,904
Dividend received - Citadel	(15,769)	(109,300)
Share of results	(8,081)	(6,922)
Distribution from Lyvely	-	(1,995)
Share of other comprehensive income	2,085	39,663
<b>At 30 September / 31 December</b>	<u><b>42,368</b></u>	<u><b>53,660</b></u>

\* As a joint venture partner, we are required to contribute our proportionate share towards the ongoing operational and administrative expenses of the Citadel. These expenses relate to the routine activities necessary for the smooth functioning and maintenance of the Citadel's operations.

#### 7 Other financial assets at fair value through profit or loss (FVTPL)

During the period ended 30 September 2025, the Group made investments in Anagram Assets LP, the movement is as follows:

	<b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<b>2024</b> <b>USD'000</b> <b>(audited)</b>
At 1 January	-	-
Investment made during the period	825	-
Fair value loss	(134)	-
<b>At 30 September / 31 December</b>	<u><b>691</b></u>	<u><b>-</b></u>

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 7 Other financial assets at fair value through profit or loss (FVTPL) *(continued)*

During the period, the Group invested USD 825 thousand in the following:

- **Closed end venture capital fund**

Investment in closed-ended venture capital funds are measured at fair value based on the latest available capital account statements from the fund manager, adjusted for subsequent capital calls, distributions, and significant events up to the reporting date. These investments are classified within Level 3 of the fair value hierarchy under IFRS 13 Fair Value Measurement due to the use of unobservable inputs, including the underlying portfolio company valuations and lack of liquidity. The total invested value is USD 436 thousand on which unrealised loss of USD 127 thousand was booked and net value as of 30 September 2025 is USD 309 thousand.

- **Liquid crypto fund**

Investment in liquid crypto fund is valued using NAV provided by the fund administrator. The NAV is derived using observable inputs but without a quoted market price and the investment is classified as Level 2. The total invested value is USD 389 thousand on which unrealised loss of USD 7 thousand was booked and net value as of 30 September 2025 is USD 382 thousand.

Unrealised gains and losses arising from changes in fair value are recognised in condensed consolidated interim statement profit or loss in the period in which they occur.

#### 8 Digital assets

	<i>As at</i> <b>30 September</b> <b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<i>As at</i> <b>31 December</b> <b>2024</b> <b>USD'000</b> <b>(audited)</b>
Digital assets – inventories (a)	<b>251,122</b>	410,640
Digital assets – intangible assets (b)	<b>77,759</b>	30,888
	<b><u>328,881</u></b>	<b><u>441,528</u></b>

(a) Accounted under inventory methodology

	<b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<b>2024</b> <b>USD'000</b> <b>(audited)</b>
At 1 January	<b>410,640</b>	136,710
Additions as commodity contract (i)	-	12,080
Additions (ii)	<b>14,348</b>	56,065
Disposals as commodity contract	-	(14,987)
Disposals	<b>(29,591)</b>	(9,182)
Realised gain	<b>9,957</b>	4,529
Change in fair value	<b>(154,232)</b>	225,425
<b>At 30 September / 31 December</b>	<b><u>251,122</u></b>	<b><u>410,640</u></b>

(i) During the prior year ended 31 December 2024, the Group has entered into a financing transaction with M2 Capital Limited (“affiliate of an associate”), where finance amount is invested in the Bitcoins (BTC) as commodity contract. The total of 236.16 BTC were purchased through this finance totalling to USD 12.08 million. These 236.16 BTC were kept as collateral with M2 Capital Limited against the finance amount. On 26 August 2024, the contract was closed and the finance amount is fully repaid resulting in a gain of USD 2.9 million.

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 8 Digital assets *(continued)*

##### *(a) Accounted under inventory methodology (continued)*

*(ii)(a)* During the prior year ended 31 December 2024, the Group acquired 582,199 Solana tokens (SOL) from the Solana Foundation in exchange for a monetary consideration of USD 20,000,000. SOL have a lock in period till December 2025, thereby have restrictions on selling in the primary market. There is a secondary market for such portfolio of tokens such as Over The Counters (OTC) traders, digital asset funds as well as family offices looking to get the exposure to digital assets at a discount.

These tokens are classified as inventory under the principle of broker-trader exception with the purpose of selling the tokens and making profits on buying and selling of such tokens. This is in line with Group's broader policy around holding of digital assets under this category.

The tokens are recorded at cost on acquisition and fair value is based on the available market information (adjusted for primary market conditions). The fair value gain/loss on fair valuation was recorded in the condensed consolidated interim statement of profit or loss.

For the period ended 30 September 2025, staking rewards earned 39,443 SOL, which have been recorded as part of the additions during the year, totalling USD 1,355 thousand with an average price of USD 175 per token.

Since SOL tokens with lock-in period are not traded in primary market, therefore these are discounted by 5% (31 December 2024: 10%) and disclosed as Level 2 valuation in the condensed consolidated interim financial statements in line with IFRS 13 guidance. During the current period, management reassessed the discount rate applied to reflect the reduced illiquidity risk as the lock-in period approaches its expiry in December 2025. Considering the remaining duration is short before the tokens become tradable, the discount has been revised from 10% in previous periods to 5% in the current period.

*(ii)(b)* During the prior year ended 31 December 2024, the Group has entered into the contract with Galaxy Digital for Solana tokens which are vested around 1.8% per month to the Group. The tokens are directly transferred to the wallet of the Group. These tokens are recorded at cost on acquisition and fair value is based on the available market information. The fair value gain/ loss on fair valuation is recorded in the condensed consolidated interim statement of the profit or loss. These tokens are traded in primary market, therefore these tokens are disclosed as Level 1 valuation in the condensed consolidated interim financial statements in line with IFRS 13 guidance. For the period ended 30 September 2025, SOL tokens equivalent to USD 6,050 thousand have been received under this contract.

*(ii)(c)* For the period ended 30 September 2025, the Group purchased SOL tokens amounting to USD 6,833 thousand, all of which were subsequently disposed of in the normal course of portfolio management during the same period.

*(ii)(d)* For the period ended 30 September 2025, the Group received Solayer for USD 110 thousand on staked SOL.

##### *(b) Accounted under intangible asset methodology*

#### 1) Bitcoin (BTC)

	2025 (unaudited)		2024 (audited)	
	Number of BTCs*	USD'000	Number of BTCs	USD'000
At 1 January	131	12,339	40	1,681
Additions on self-mining activity (Note 20)	632	64,010	1,661	106,843
Dividend from Citadel (Note 6)	158	15,769	1,464	109,300
Acquired during the year	97	9,899	4	223
Disposals	(336)	(33,741)	(3,038)	(217,552)
Realised gain	-	5,752	-	9,210
Change in fair value	-	3,031	-	2,634
<b>At 30 September / 31 December</b>	<b>682</b>	<b>77,059</b>	<b>131</b>	<b>12,339</b>

\* Out of the total 682 BTC, 666 BTC have been pledged as collateral with Bybit Exchange and M2 Exchange against a loan facility (Note 16).

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 8 Digital assets *(continued)*

(b) Accounted under intangible asset methodology *(continued)*

#### 2) USD Tether (USDT)

	2025 USD'000 (unaudited)	2024 USD'000 (audited)
At 1 January	18,549	1,609
Additions during the year	131,807	86,251
Acquired on disposal of BTCs	33,741	217,552
Disposals	(183,397)	(286,863)
<b>At 30 September / 31 December</b>	<b>700</b>	<b>18,549</b>

(c) Unrealised (loss)/gain on digital assets

	<i>Nine-month period ended 30 September (unaudited)</i>	
	2025 USD'000	2024 USD'000
(Loss)/gain on digital assets – inventories	(154,232)	202,112
Gain on digital assets – intangible assets	3,031	1,064
	<b>(151,201)</b>	<b>203,176</b>

The breakdown of unrealised (loss)/gain on digital assets is as follows:

	<i>Nine-month period ended 30 September (unaudited)</i>	
	2025 USD'000	2024 USD'000
MMX	(127,034)	37,000
UNCN	(30,462)	65,875
LVLV	(15,646)	-
FAH - Falcon	(920)	37,900
Others	(2)	1
ETH	257	(1,245)
BTC	3,031	1,064
SOL	19,575	62,581
	<b>(151,201)</b>	<b>203,176</b>

The total digital assets portfolio amounts to USD 328,881 thousand, which includes liquid digital assets valued at USD 2,509 thousand, net of the BTC kept as collateral with Bybit exchange and M2 Exchange. These are classified as intangible assets to comply with relevant IFRS Accounting Standards. The Group actively utilises USDT in its daily operations, allowing for efficient management of its financial resources. Given the high liquidity of USDT (Tether) and BTC (Bitcoin) these are regarded as highly liquid digital assets that can be quickly converted into fiat currency with minimal transaction costs. USDT is specifically designed to maintain a 1:1 peg with the US dollar, offering price stability. The Group has the flexibility to convert BTC into USDT, and subsequently USDT into USD, as needed to support its liquidity requirements. This is part of Group's active treasury management.

#### 9 Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. The cost of inventories is based on the weighted average cost method.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 9 Inventories *(continued)*

	<i>As at</i> <b>30 September</b> <b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<i>As at</i> <b>31 December</b> <b>2024</b> <b>USD'000</b> <b>(audited)</b>
Finished goods	775	2,724
Provision for obsolescence	<u>(534)</u>	<u>(1,879)</u>
	<b><u>241</u></b>	<b><u>845</u></b>

Movement of inventories is as follows:

	<b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<b>2024</b> <b>USD'000</b> <b>(audited)</b>
At 1 January	2,724	73,262
Purchases	141,915	138,528
Inventory consumed (Note 22)	(13,590)	(59,725)
Transferred from property and equipment (Note 5.3)	13,479	17,629
Transferred from CWIP	-	1,812
Transferred to CWIP (Note 5.5)	(118,363)	(58,863)
Transferred to property and equipment (Note 5.4)	(24,016)	(87,951)
Inventory written off	<u>(1,374)</u>	<u>(21,968)</u>
	775	2,724
Provision for obsolescence	<u>(534)</u>	<u>(1,879)</u>
<b>At 30 September / 31 December</b>	<b><u>241</u></b>	<b><u>845</u></b>

#### 10 Trade receivables

	<i>As at</i> <b>30 September</b> <b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<i>As at</i> <b>31 December</b> <b>2024</b> <b>USD'000</b> <b>(audited)</b>
Gross - trade receivables	11,318	28,840
Provision for expected credit losses, net	<u>(794)</u>	<u>(2,302)</u>
Net trade receivables	<b><u>10,524</u></b>	<b><u>26,538</u></b>

Out of the above balance of trade receivables, USD 339 (2024 (audited): USD 190 thousand) relates to a related party (note 14(i)(a)).

As at 30 September 2025, the Group assessed the expected credit losses on trade receivables. The provision for expected credit losses amounted to USD 794 thousand (2024 (audited): USD 2,302 thousand). The change in the provision comprises of reversal of USD 1,512 thousand following successful collections, write-off of USD 677 thousand and additional provision of USD 681 thousand was recognised during the period ended 30 September 2025.

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 11 Advances, deposits and other receivables

	<i>As at</i> <b>30 September</b> 2025 USD'000 (unaudited)	<i>As at</i> <b>31 December</b> 2024 USD'000 (audited)
Advance to suppliers	16,325	143,418
Deposits	14,232	15,190
VAT receivable	1,649	1,159
Prepaid expenses	3,829	5,171
Other receivables	395	395
Others	111	42
	<b>36,541</b>	<b>165,375</b>

Analysed as follows:

	<i>As at</i> <b>30 September</b> 2025 USD'000 (unaudited)	<i>As at</i> <b>31 December</b> 2024 USD'000 (audited)
Non-current	23,129	138,551
Current	13,412	26,824
	<b>36,541</b>	<b>165,375</b>

Movement in advances and deposits is as follows:

	<b>2025</b> USD'000 Advances (unaudited)	<b>2025</b> USD'000 Deposits
At 1 January (audited)	143,418	15,190
Additions	46,355	2,078
Refunds**	(5,272)	(3)
Transfers	3,000	(3,000)
Utilised*	(171,176)	(33)
<b>At 30 September (unaudited)</b>	<b>16,325</b>	<b>14,232</b>

\* The additions during the period mainly relate to purchases of crypto mining machines, containers, and dry coolers for the new sites under development in the USA and Ethiopia. These additions form part of the Group's ongoing expansion of mining capacity across new geographic locations

\*\*During the period, the Group received refunds from certain vendors against advances previously paid for goods or services that were either discontinued or not procured. These refunds have been adjusted against the respective advance balances.

#### 12 Cash and short-term deposits

	<i>As at</i> <b>30 September</b> 2025 USD'000 (unaudited)	<i>As at</i> <b>31 December</b> 2024 USD'000 (audited)
Cash at bank and on hand	14,746	20,310

The expected credit loss on bank balances is estimated to be immaterial as the Group only deals with reputable banks with good ratings.



## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 12 Cash and short-term deposits *(continued)*

The total digital assets portfolio amounts to USD 328,881 thousand, which includes liquid digital assets valued at USD 2,509 thousand, net of the BTC kept as collateral with Bybit exchange and M2 Exchange. These are classified as intangible assets to comply with relevant IFRS Accounting Standards. The Group actively utilises USDT in its daily operations, allowing for efficient management of its financial resources. Given the high liquidity of USDT (Tether) and BTC (Bitcoin) these are regarded as highly liquid digital assets that can be quickly converted into fiat currency with minimal transaction costs. USDT is specifically designed to maintain a 1:1 peg with the US dollar, offering price stability. The Group has the flexibility to convert BTC into USDT, and subsequently USDT into USD, as needed to support its liquidity requirements. This is part of Group's active treasury management.

#### 13 Share capital, share premium, other reserves and own shares

##### (i) Share capital and share premium

	<i>As at</i> <b>30 September</b> <b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<i>As at</i> <b>31 December</b> <b>2024</b> <b>USD'000</b> <b>(audited)</b>
<i>Authorised issued and fully paid:</i>		
6,048,823,529 shares of USD 0.027 each (2024 (audited): 6,048,823,529 shares of USD 0.027 each)	<b>164,706</b>	164,706
Share premium	<b>345,882</b>	345,882
	<b>510,588</b>	510,588

##### (ii) Other reserves

	<i>Revaluation reserve (Note a) USD'000</i>	<i>Foreign currency translation reserve (Note b) USD'000</i>	<i>Fair value through other comprehensive income (Note c) USD'000</i>	<i>Total USD'000</i>
At 1 January 2024	11,380	(112)	13,243	24,511
Movement for the year	(584)	(47)	51,507	50,876
Realised gain transferred to retained earnings	-	-	(56,863)	(56,863)
At 31 December 2024 (audited)	10,796	(159)	7,887	18,524
Movement for the period	(219)	(646)	10,868	10,003
Realised gain transferred to retained earnings	-	-	(14,158)	(14,158)
<b>At 30 September 2025</b> <b>(unaudited)</b>	<b>10,577</b>	<b>(805)</b>	<b>4,597</b>	<b>14,369</b>

##### (a) Revaluation reserve

This reserve relates to the revaluation gain recognised on the fair valuation of building. Any incremental depreciation charge on the revalued amount compared to the cost is charged to the condensed consolidated interim statement of profit or loss and a corresponding reclassification adjustment is made from revaluation reserve to retained earnings.

##### (b) Foreign currency translation reserve

This reserve relates to the translation of foreign operations of the Group.



## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 13 Share capital, share premium, other reserves and own shares *(continued)*

##### *(ii) Other reserves (continued)*

##### *(c) Fair value through other comprehensive income reserve*

This reserve relates to the Group's share of other comprehensive income from associate and fair value gain on the digital assets held as intangible assets. A total of USD 14,158 thousand was transferred to retained earnings, comprising USD 5,772 thousand representing the Group's share of reclassification in the associate's statement of changes in equity from the other comprehensive income reserve to retained earnings upon disposal of digital assets (classified as intangible assets), and USD 8,386 thousand relating to the Group's own reclassification of other comprehensive income reserve on disposal of digital assets (classified as intangible assets).

##### *(iii) Own shares*

During the prior year ended 31 December 2024, the Company engaged a third-party licensed Market Maker on the Abu Dhabi Securities Exchange that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. The shares are purchased for the Company's account by the Market Maker.

The Market Maker trades and operates within the predetermined parameters approved by the Group. The Group monitors the transactions undertaken by the Market Maker on a daily basis. The Group has provided the funding to the Market Maker to trade the Company's shares and it carries all risks and rewards associated with the arrangement. Given the nature and substance of the arrangement, the shares have been classified as "Own Shares" in equity.

During the prior year ended 31 December 2024, the Group has paid an amount of USD 10,000 thousand to the Market Maker to fund the purchase of its own shares. As at 30 September 2025, the Market Maker held nil shares of the Company's shares on behalf of the Group. The realised loss for the period ended 30 September 2025 is USD 14 thousand (2024 (audited): USD 1,667 thousand) on shares sold has been presented in retained earnings respectively. Further, the Market Maker has repaid an amount of USD 6,000 thousand, in prior year ended 31 December 2024.

During the period ended 30 September 2025, the contract with the Market Maker was concluded, all outstanding shares were sold, and the pending advance balance was fully settled within the same period. Accordingly, as at 30 September 2025, the Company does not hold any own shares.

#### 14 Related party transactions and balances

The Group, in the ordinary course of business, enters into transactions, at agreed terms and conditions, with other business enterprises or individuals that fall within the definition of related party contained in IAS 24 Related Party Disclosures. Related parties represent the major shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influences by such parties. Pricing policies and terms of their transactions are approved by the Group's management and the board of directors.

##### **i. Related party balances**

Balances with related parties included in the condensed consolidated interim statement of financial position are as follows:

##### *(a) Trade receivables*

	<i>As at 30 September 2025</i>	<i>As at 31 December 2024</i>
	<b>USD'000</b>	<b>USD'000</b>
<b>Relationship</b>	<b>(unaudited)</b>	<b>(audited)</b>
M2 Capital Limited	Affiliate of an associate <u><b>339</b></u>	<u>190</u>

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 14 Related party transactions and balances *(continued)*

##### *(b) Due from related parties*

		<i>As at 30 September 2025</i>	<i>As at 31 December 2024</i>
		USD'000	USD'000
	Relationship	(unaudited)	(audited)
Phoenix Technology Solutions B.V.	Common directorship	80	223
Phoenix Pyramids RE Holding Limited	Common directorship	-	11
Phoenix Cleo RE Holding Limited	Common directorship	-	10
Phoenix Technology Consultants	Common directorship	-	5
Falcon Group Limited	Common directorship	-	1
		<b>80</b>	<b>250</b>

##### *(c) Advance from a related party*

		<i>As at 30 September 2025</i>	<i>As at 31 December 2024</i>
		USD'000	USD'000
	Relationship	(unaudited)	(audited)
M2 Capital Limited	Affiliate of an associate	<b>344</b>	<b>2,015</b>

This amount is included in advance from customers (Note 17).

##### *d) Trade and other payables*

		<i>As at 30 September 2025</i>	<i>As at 31 December 2024</i>
		USD'000	USD'000
	Relationship	(unaudited)	(audited)
M2 Capital Limited	Affiliate of an associate	286	-
Munaf Ali	Director	-	182
		<b>286</b>	<b>182</b>

##### *e) Loan from related parties:*

		<i>As at 30 September 2025</i>	<i>As at 31 December 2024</i>
		USD'000	USD'000
	Relationship	(unaudited)	(audited)
Munaf Ali	Director	-	9,318
Syedmohammed Alizadehfard	Shareholder	-	10,000
M2 Global Wealth Ltd (Note 15)	Affiliate of an associate	<b>8,848</b>	-
		<b>8,848</b>	<b>19,318</b>

During the prior year ended 31 December 2024, the Group entered into a loan agreement with its shareholders, Mr. Syedmohammed Alizadehfard and Mr. Munaf Ali, whereby they provided interest-free loans amounting to a total of USD 22,000 thousand comprising USD 10,000 thousand from Mr. Syedmohammed Alizadehfard and USD 12,000 thousand from Mr. Munaf Ali.

# Phoenix Group PLC

## Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

### 14 Related party transactions and balances *(continued)*

#### i. Related party balances *(continued)*

##### e) Loan from related parties: *(continued)*

During 2025, the Company repaid USD 4,000 thousand of the loan to Mr. Seyedmohammed Alizadehfard. Subsequently, the shareholders voluntarily and unconditionally waived the remaining outstanding loan balance of USD 18,000 thousand. The waiver was granted as an expression of shareholder support and was provided without any consideration, issuance of additional shares, or incurrence of any further financial obligations by the Company. Consequently, the waived amount has been recognised directly within condensed consolidated interim statement of changes in equity for the period ended 30 September 2025. This demonstrates the continued confidence of its founding shareholders in the Company's long-term strategy and growth prospects.

##### f) Due to related parties:

		<i>As at</i> <b>30 September</b> <b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<i>As at</i> <b>31 December</b> <b>2024</b> <b>USD'000</b> <b>(audited)</b>
	<b>Relationship</b>		
Phoenix Pyramids RE Holding Limited	Common directorship	<b>2</b>	-
Phoenix Cleo RE Holding Limited	Common directorship	<b>1</b>	-
		<b>3</b>	-

#### ii. Related party transactions

Transactions included in the condensed consolidated interim statement of profit or loss with its related parties are as follows:

		<i>Nine-month period ended</i> <b>30 September (unaudited)</b> <b>2025</b> <b>USD'000</b>	<b>2024</b> <b>USD'000</b>
<b>a) Revenue</b>	<b>Relationship</b>		
M2 Capital Limited	Affiliate of an associate	<b>3,262</b>	22,454
Munaf Ali	Director	-	4,696
Seyedmohammed Alizadehfard	Shareholder	-	2,134

#### **b) Expense**

##### **Interest on loan:**

M2 Capital Limited	Affiliate of an associate	<b>431</b>	1,165
WAS Four Investment – Sole Proprietorship L.L.C(“WAS”)	Affiliate of major shareholder	-	8,071

		<i>Nine-month period ended</i> <b>30 September (unaudited)</b> <b>2025</b> <b>USD'000</b>	<b>2024</b> <b>USD'000</b>
<b>c) Purchases</b>	<b>Relationship</b>		
Munaf Ali	Director	-	748
Seyedmohammed Alizadehfard	Shareholder	-	357

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 14 Related party transactions and balances *(continued)*

##### ii. Related party transactions *(continued)*

	<i>Nine-month period ended 30 September (unaudited)</i>	
	2025 USD'000	2024 USD'000
<b>d) Other transactions</b>		
Waiver of loan from shareholders	15,318	-
Repayment of amount due to related party	-	54,698
Repayment and receipt of loan to M2 Capital Limited	15,000	15,259
Investment in Citadel Technologies Group Limited	10,473	8,375
Loan from M2 Global Wealth Ltd	8,848	
Repayment of loan from shareholder	4,000	-
Payment of end of service benefits to key management personnel	393	-
Board members' fee	261	229
Consultation fees to Seyedmohammed Alizadehfard	146	-
Repayment of capital contribution to shareholder	-	24,995
Loan from M2 Capital Limited and repaid	-	12,080
Acquisition of digital assets - FAH from Falcon Group Limited	-	10,000
Advance to Citadel Technologies Group Limited	-	320

##### iii. Compensation of key management personnel

The remuneration of key management personnel are as follows:

	<i>Nine-month period ended 30 September (unaudited)</i>	
	2025 USD'000	2024 USD'000
Salaries and other benefits	1,896	2,570
End of service benefits	61	67
	<u>1,957</u>	<u>2,637</u>
Number of key management personnel	<u>1</u>	<u>2</u>

#### 15 Employees' end of service benefits

The movement in the employee's end of service benefits is as follows:

	2025 USD'000 (unaudited)	2024 USD'000 (audited)
At 1 January	1,312	859
Charge for the period /year	344	506
Paid during the period/year	(546)	(53)
<b>At 30 September / 31 December</b>	<u>1,110</u>	<u>1,312</u>

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 16 Interest-bearing loans

The amounts recognised in the condensed consolidated interim statement of financial position is as follows:

	<i>As at</i> <b>30 September</b> <b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<i>As at</i> <b>31 December</b> <b>2024</b> <b>USD'000</b> <b>(audited)</b>
Non-current	<b>3,166</b>	3,376
Current	<b>37,206</b>	15,180
	<b>40,372</b>	18,556

The movement in interest-bearing loans is as follows:

	<b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<b>2024</b> <b>USD'000</b> <b>(audited)</b>
At 1 January	<b>18,556</b>	3,722
Proceeds	<b>64,708</b>	27,080
Repayments	<b>(42,892)</b>	(12,246)
<b>At 30 September / 31 December</b>	<b>40,372</b>	18,556

<b>Lender Name</b>	<b>Facility amount</b> <b>USD'000</b>	<b>Interest rate</b>	<b>Maturity</b>	<i>As at</i> <b>30 September</b> <b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<i>As at</i> <b>31 December</b> <b>2024</b> <b>USD'000</b> <b>(audited)</b>
Bybit Exchange*	55,859	Variable 3% to 12.5%	Note 16.1	<b>28,130</b>	-
M2 Capital Limited Loan	15,000	15%	31-Mar-2025	-	15,000
M2 Global Wealth Ltd**	8,848	7.5%	Note 16.1	<b>8,848</b>	-
FAB loan	4,084	EIBOR+3%	06-Oct-2036	<b>3,394</b>	3,556

\*As of 30 September 2025, the Group has outstanding margin loans from Bybit exchange totalling USD 28,130 thousand. These were originally received in the form of digital assets and were converted to USD. These loans are collateralised by a pledge of 511 Bitcoin (BTC). Subsequent to the period-end, an amount of USD 23,457 thousand was repaid towards the interest-bearing loan from Bybit exchange, which includes interest of USD 327 thousand reducing the outstanding balance from USD 28,130 thousand to USD 5,000 thousand. Under the terms of the margin loan agreements, the Company maintains the flexibility to fully repay the outstanding loan balances at any time in order to reclaim the pledged digital assets. The pledged assets remain the property of the Group, subject to the security interest held by the exchange until the loans are settled. The value of the pledged BTC is subject to market volatility, which may impact the loan-to-collateral ratio and could result in margin calls, if necessary. The interest rate on these loans fluctuates based on the demand and supply dynamics of borrowing activity on the platform. The Group actively monitors the value of its collateral to ensure ongoing compliance with margin requirements and to manage its exposure to potential market fluctuations.

\*\*As of 30 September 2025, the Group has outstanding margin loans from M2 Global Wealth Ltd totalling USD 8,848 thousand. These were originally received in the form of digital assets and were converted to USD. These loans are collateralised by a pledge of 155 Bitcoin (BTC). Under the terms of the margin loan agreements, the Group maintains the flexibility to fully repay the outstanding loan balances at any time in order to reclaim the pledged digital assets. The pledged assets remain the property of the Group, subject to the security interest held by the exchange until the loans are settled.

# Phoenix Group PLC

## Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

### 16 Interest-bearing loans *(continued)*

16.1 Under the terms of the margin loan agreements, the Group retains the flexibility to fully repay the outstanding loan balances at any time in order to reclaim the pledged digital assets. In the event that the loan-to-value ("LTV") ratio reaches 95%, the loan will automatically be liquidated through the sale of the pledged assets. Following the repayment of the outstanding balance, any remaining digital assets will be returned to the Group and transferred back to its designated wallet.

### 17 Other liabilities

	<i>As at</i> <b>30 September</b> <b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	<i>As at</i> <b>31 December</b> <b>2024</b> <b>USD'000</b> <b>(audited)</b>
Provision for expenses	9,253	14,189
Advances received from customers (i)	1,713	7,861
Deposit received	2,282	2,802
Other payables	1,323	1,285
Provision for leave salary	866	1,230
	<u>15,437</u>	<u>27,367</u>

(i) This includes amount of USD 344 thousand (2024 (audited): USD 2,015 thousand) which is from a related party (Note 14(i)(c)).

### 18 Commitments

Commitments in respect of capital expenditure contracted but not incurred amounted to USD 6,886 thousand (2024 (audited): USD 4,177 thousand).

### 19 Contingencies

At 30 September 2025, the Group and its associates had no contingent liabilities (2024 (audited): USD Nil).

### 20 Revenue

(a) *Type of revenue*

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<b>30 September</b> <b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	30 September 2024 USD'000 (unaudited)	<b>30 September</b> <b>2025</b> <b>USD'000</b> <b>(unaudited)</b>	30 September 2024 USD'000 (unaudited)
<i>Revenue from contracts with customers:</i>				
• Sales of ASICs, wallets, and equipment	4,789	2,689	15,227	35,372
• Hosting revenue	4,874	6,113	13,091	43,202
• Service income	-	538	-	788
	<u>9,663</u>	<u>9,340</u>	<u>28,318</u>	<u>79,362</u>
Self - mining revenue	22,273	26,634	64,010	76,751
	<u>31,936</u>	<u>35,974</u>	<u>92,328</u>	<u>156,113</u>

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 20 Revenue *(continued)*

##### *(b) Geographical markets*

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<b>30 September</b>	30 September	<b>30 September</b>	30 September
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>USD'000</b>	USD'000	<b>USD'000</b>	USD'000
	<b>(unaudited)</b>	(unaudited)	<b>(unaudited)</b>	(unaudited)
Outside UAE	<b>31,930</b>	35,956	<b>92,275</b>	155,889
Within UAE	<b>6</b>	18	<b>53</b>	224
	<b>31,936</b>	35,974	<b>92,328</b>	156,113

##### *(c) Timing of revenue recognition*

At a point in time	<b>4,789</b>	2,689	<b>15,227</b>	35,372
Over time	<b>27,147</b>	33,285	<b>77,101</b>	120,741
	<b>31,936</b>	35,974	<b>92,328</b>	156,113

#### 21 Other operating income

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<b>30 September</b>	30 September	<b>30 September</b>	30 September
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>USD'000</b>	USD'000	<b>USD'000</b>	USD'000
	<b>(unaudited)</b>	(unaudited)	<b>(unaudited)</b>	(unaudited)
Staking income*	<b>421</b>	-	<b>1,480</b>	-
Miscellaneous income	<b>221</b>	15	<b>689</b>	253
Commission income	-	3	-	4
Compensation received	-	-	-	103
	<b>642</b>	18	<b>2,169</b>	360

\*The SOL referenced in Note 8(ii)(a) are staked on the network, generating yield in the form of SOL credited to the wallet. These yields are valued consistently with the valuation method outlined in Note 8(ii)(a).

#### 22 Cost of inventory consumed

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<b>30 September</b>	30 September	<b>30 September</b>	30 September
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>USD'000</b>	USD'000	<b>USD'000</b>	USD'000
	<b>(unaudited)</b>	(unaudited)	<b>(unaudited)</b>	(unaudited)
Opening inventory	<b>1,316</b>	158,026	<b>2,724</b>	73,262
Add: purchases and other direct costs	<b>8,083</b>	2,900	<b>141,915</b>	106,729
Add: transfer from property and equipment	<b>3,879</b>	-	<b>13,479</b>	-
Less: transfer to property and equipment	<b>(7,729)</b>	(107,058)	<b>(24,016)</b>	(107,058)
Less: transfer to CWIP	<b>(838)</b>	-	<b>(118,363)</b>	-
Less: inventory written off	-	-	<b>(1,374)</b>	-
Rebate income	-	-	-	(7,357)
Less: closing inventory	<b>(775)</b>	(52,461)	<b>(775)</b>	(52,461)
<b>Cost of inventory consumed</b>	<b>3,936</b>	1,407	<b>13,590</b>	13,115

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 23 Staff costs

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	USD'000	USD'000	USD'000	USD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Staff costs	3,085	3,794	9,715	9,698
Management fees	457	817	1,957	2,637
	<u>3,542</u>	<u>4,611</u>	<u>11,672</u>	<u>12,335</u>

#### 24 Other operating expenses

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	USD'000	USD'000	USD'000	USD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Site expenses	1,177	941	4,154	2,983
Penalties and compensation	3,877	540	4,061	3,029
Legal and professional fees	828	1,416	2,710	2,403
Insurance	750	357	1,309	517
Advertisements	396	194	1,237	659
Office and other expenses	442	257	1,222	700
Short-term lease	255	62	668	180
Travelling and entertainment	258	213	615	438
Auditor's remuneration	155	64	457	446
Sales commission	83	-	439	-
Bank charges	113	41	314	166
Utility and communication expenses	37	49	149	94
Warehouse expenses	100	18	143	56
Repair and maintenance	44	28	95	48
Other expenses	25	-	77	-
Recruitment expenses	-	38	40	347
Business promotion	-	-	-	289
	<u>8,540</u>	<u>4,218</u>	<u>17,690</u>	<u>12,355</u>

#### 25 Provisions, impairments and write-down, net

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	USD'000	USD'000	USD'000	USD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Impairment of assets (note 5)	48,135	-	48,135	-
Inventory written off	-	2,269	29	5,955
Asset written off	462	472	485	472
(Reversal) / provision of expected credit losses, net	-	-	(829)	1,323
Receipt of insurance claim*	(2,159)	-	(2,159)	-
Provision for obsolescence of inventory	-	405	-	18,188
	<u>46,438</u>	<u>3,146</u>	<u>45,661</u>	<u>25,938</u>

\* This amount represents the insurance proceeds received in respect of the fire incident that occurred at one of the Group's sites in the USA. The claim was settled and recognised during the current reporting period.



## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 26 Depreciation and amortisation

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<b>30 September</b>	30 September	<b>30 September</b>	30 September
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>USD'000</b>	USD'000	<b>USD'000</b>	USD'000
	<b>(unaudited)</b>	(unaudited)	<b>(unaudited)</b>	(unaudited)
Depreciation on property and equipment	<b>10,126</b>	6,501	<b>27,538</b>	7,483
Amortisation on intangible assets	<b>116</b>	24	<b>345</b>	38
Depreciation on right-of-use assets	<b>39</b>	59	<b>155</b>	175
	<b>10,281</b>	6,584	<b>28,038</b>	7,696

#### 27 (Loss) / earnings per share

The basic and diluted earnings per share is calculated by dividing the profit/(loss) attributable to shareholders of the company by the weighted average number of shares in issue. Earnings per share are presented in USD per share. The related profit or loss figures used in the calculations are shown in full amount to reflect the per share computation.

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<b>30 September</b>	30 September	<b>30 September</b>	30 September
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>(unaudited)</b>	(unaudited)	<b>(unaudited)</b>	(unaudited)
(Loss)/profit for the period (USD'000)	<b>(46,364)</b>	47,558	<b>(229,133)</b>	169,842
Weighted average number of ordinary shares in issue	<b>6,048,823,529</b>	6,034,469,551	<b>6,048,823,529</b>	6,043,986,291
Basic and diluted (loss) / earnings per share (USD)	<b>(0.008)</b>	0.008	<b>(0.038)</b>	0.028

#### 28 Finance costs

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<b>30 September</b>	30 September	<b>30 September</b>	30 September
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>USD'000</b>	USD'000	<b>USD'000</b>	USD'000
	<b>(unaudited)</b>	(unaudited)	<b>(unaudited)</b>	(unaudited)
Interest on interest-bearing loans	<b>347</b>	83	<b>681</b>	237
Interest expense on related parties' loan*	<b>76</b>	526	<b>431</b>	9,236
Interest on leases	<b>3</b>	8	<b>14</b>	26
	<b>426</b>	617	<b>1,126</b>	9,499

\*The interest expense includes amount of USD 431 thousand (2024 (unaudited): USD 9,236 thousand) which is paid / accrued to related party (Note 14(ii)).

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 29 Segment reporting

All sales of the Group comprise of sale of crypto mining machines, host mining services and self-mining.

Non-current assets of the Group by geography are as follows:

<b>Geography</b>	<b><i>As at</i> 30 September 2025 USD'000 (unaudited)</b>	<b><i>As at</i> 31 December 2024 USD'000 (audited)</b>
United States of America	148,596	153,176
Ethiopia	87,110	15,184
Sultanate of Oman	33,981	39,203
United Arab Emirates	23,806	22,178
Canada	22,016	22,449
	<b>315,509</b>	<b>252,190</b>

Sales to two major customers of the Group are around 62.05% of the Group's total sales of Sales of ASICs, wallets, and equipment and Hosting revenue during the nine-month period ended 30 September 2025 (30 September 2024: 42.67%). For these calculations, self-mining revenue is not included in total sales.

#### 30 Income tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated interim statement of profit or loss are:

	<b><i>Three-month period ended</i></b>		<b><i>Nine-month period ended</i></b>	
	<b>30 September 2025 USD'000 (unaudited)</b>	<b>30 September 2024 USD'000 (unaudited)</b>	<b>30 September 2025 USD'000 (unaudited)</b>	<b>30 September 2024 USD'000 (unaudited)</b>
Current income tax expense	669	5,094	1,202	17,144
Deferred tax expense/(income)	-	-	380	-
	<b>669</b>	<b>5,094</b>	<b>1,582</b>	<b>17,144</b>

##### 30.1 Reconciliation between tax expense and accounting profit

	<b>30 September 2025 USD'000 (unaudited)</b>	<b>31 December 2024 USD'000 (audited)</b>
<b>Accounting (loss) / profit before taxation</b>	<b>(227,551)</b>	<b>166,992</b>
Prima facie tax expense at 9%	(20,480)	15,029
Add: income/(loss) from foreign subsidiaries not subject to tax	20,303	(16,780)
Add: exempt profit/non-deductible (loss) from associates	540	1,371
Add: Other adjustments- including unrealised losses/gains, entertainment expenses, reversal of shareholding loan	1,158	-
Less: effect of the 0% tax bracket (up to 375,000 AED)	(9)	-
Tax expense for the year – UAE corporate tax	1,512	-
Other geography taxes	70	-
Total tax expense for the year	1,582	-
Less: used losses carried forward from the previous period at 9%	(380)	-
Current income tax expense provision	1,202	-

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 30 Income tax *(continued)*

The major components of income tax expense for the period / year ended 30 September 2025 and 31 December 2024 are as follows:

	30 September 2025 USD'000 (unaudited)	30 September 2024 USD'000 (audited)
<i>Deferred tax credit:</i>		
Temporary differences due to tax losses	(4,223)	4,223
Deferred tax expense / (credit) at 9%	380	(380)
Deferred tax expense / (credit) recognised in the condensed consolidated interim statement of profit or loss	380	(380)

The Group has not recognised additional deferred tax asset on tax losses as management determined that it is not probable that sufficient taxable profits will be available in the foreseeable future against which the unused tax losses can be utilised.

#### 31 Reconciliation of assets and liabilities arising from financing activities

	Interest-bearing loans – due within one year USD'000	Interest-bearing loans – due after one year USD'000	Non- Interest-bearing loans – due within one year USD'000	Non- Interest-bearing loans – due after one year USD'000	Lease liabilities – due within one year USD'000	Lease liabilities – due after one year USD'000	Total USD'000
At 1 January 2024	165	3,557	-	-	272	357	4,351
Cash flows	(122)	-	-	-	-	(136)	(258)
Additions	15,000	-	-	-	-	-	15,000
Non-cash movement	134	(134)	-	-	-	25	25
<b>At 30 September 2024 (unaudited)</b>	<b>15,177</b>	<b>3,423</b>	<b>-</b>	<b>-</b>	<b>272</b>	<b>246</b>	<b>19,118</b>
At 1 January 2025	15,180	3,376	10,000	9,318	390	-	38,264
Cash flows	(42,892)	-	(4,000)	-	(136)	-	(47,028)
Additions	64,708	-	-	-	-	-	64,708
Non-cash movement	210	(210)	(6,000) <sup>1</sup>	(9,318) <sup>1</sup>	(254)	-	(15,572)
<b>At 30 September 2025 (unaudited)</b>	<b>37,206</b>	<b>3,166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,372</b>

<sup>1</sup>This non-cash adjustment represents the adjustment made to the condensed consolidated interim statement of changes in equity upon waiver of outstanding shareholders' loan.

## Phoenix Group PLC

### Notes to the condensed consolidated interim financial statements *(continued)* for the nine-month period ended 30 September 2025

#### 32 Comparative figures

##### Reclassification

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the condensed consolidated interim financial statements of the shareholder. These reclassifications were not significant and have no impact on the total assets, total liabilities, total equity and profit of the Group. Comparative figures for previous condensed consolidated interim statement of financial position presentation are reclassified as below:

<u>31 December 2024</u>	As previously reported USD'000	Reclassification USD'000	As reported USD'000
<b>Condensed consolidated interim statement of financial position:</b>			
Inventories	56,608	(55,763)	845
Property and equipment	196,427	55,763	252,190

#### 30 September 2024

##### Condensed consolidated interim statement of profit or loss

During the period, the Group changed the presentation of expenses in the condensed consolidated interim statement of profit or loss by presenting expenses by nature as compared to the previous presentation of expenses by function. The change has been made to provide more relevant information to users of the financial statements and to align with market practice of similar companies. The change in presentation was affected in 2024 comparatives for the three and nine-month period ended 30 September 2024.

#### 33 Events after the reporting date

Subsequent to the period-end, an amount of USD 23,457 thousand was repaid towards the interest-bearing loan from Bybit exchange, which includes interest of USD 327 thousand reducing the outstanding balance from USD 28,130 thousand to USD 5,000 thousand.