



**Q3** 2024  
FINANCIAL  
RESULTS

<https://www.phoenixgroupuae.com>



## DISCLAIMER

The information contained in this presentation is for background purposes only and does not purport to be full or complete. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy, or fairness. The information in this presentation is subject to change. No obligation is undertaken to update this presentation or to correct any inaccuracies, and the distribution of this presentation shall not be deemed to be any form of commitment on the part of Phoenix Group PLC and its subsidiaries ("Phoenix Group") to proceed any transaction or arrangement referred to herein. This presentation has not been approved by any competent regulatory authority.

This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on connection with or act as an inducement to enter into, any contract or commitment whatsoever. Investors should not purchase any shares based on the information contained in this presentation. Distribution of this presentation and other information may be restricted by law and persons into whose possession this presentation, any document or other information referred to herein comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This presentation has not been reviewed, verified, approved and/or licensed by the Central Bank of the United Arab Emirates (the "UAE"), the Securities and Commodities Authority of the UAE and/or any other relevant licensing authority in the UAE including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of the UAE, including the Financial Services Regulatory Authority, a regulatory authority of the Abu Dhabi Global Market, and the Dubai Financial Services Authority, a regulatory authority of the Dubai International Financial Centre, or any other authority in other jurisdiction.

None of Phoenix Group and/or any of its respective subsidiary undertakings, affiliates or any of their respective directors, officers, employees, advisers, agents or any other person(s) accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions in this presentation (or whether any information has been omitted from this presentation) or any other information relating to Phoenix Group associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith. If this presentation contains "forward looking" statements, beliefs, or opinions, including statements with respect to the business, financial condition, results operations, liquidity, prospects, growth, strategy and plans of Phoenix Group, and the industry in which Phoenix Group operates.

These forward-looking statements involve known and unknown risks uncertainties, many of which are Phoenix Group' control and all of which are based on Phoenix Group' current beliefs and expectations about future events. Forward looking statements are sometimes identified by the use of forward looking terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts and involve predictions. Forward looking statements may and often do differ materially from actual results. They appear in a number of places throughout this presentation and include statements regarding the intentions, beliefs or current expectations of the directors or Phoenix Group with respect to future events and are subject to relating to future events and other risks, uncertainties and assumptions relating to Phoenix Group' business, concerning, amongst other things, the results of operations, financial condition, prospects, growth and strategies of Phoenix Group and the industry in which it operates.

No assurance can be given that such future results will be achieved; actual events or results may differ materially because of risks uncertainties facing Phoenix Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Forward-looking statements contained in this presentation speak only as of the date of this presentation. Phoenix Group and/or their respective affiliates, expressly disclaim any obligation undertaking to release publicly any updates or revisions to any forward-looking statements contained in this presentation to reflect any change in its expectations or any change in events, conditions circumstances on which such statements are based unless required to do so by applicable law.

# PHOENIX GROUP PLC PRESENTERS

Q3, 2024



**Mr. Munaf Ali**

Board Member, Co-founder &  
Group Managing Director



**Mr. Sheharyar Malhi**

Board Secretary & Group CFO



**Mr. Bill Qian**

Group CIO



## CONTENT

Business Performance 5

Strategic Achievement 6

Differentiated Business Model 7

Financial Review 8

Financial Review 9

Operational Metrics 10

Key Highlights 11

Peer Comparison 12

Share Price Movement 13

Crypto Adoption 14

Evolution of Strategy 15

Strategic Direction 16

Q&A 17

Connect with Us 18

# PHOENIX GROUP PLC BUSINESS PERFORMANCE

Q3, 2024

- **Challenging quarter for the industry with overall Bitcoin performance** driven by halving and lag in expected Bitcoin price appreciation within Q3, while **other digital currencies e.g. SOL and tokens remain strong**
- **Revenue for Q3'24 totaled \$36M**; decline observed across verticals notably trading and hosting driven by mining economics deteriorating and hosting customers pausing miners. **We expect this situation to change as Bitcoin prices move close to an all time high**
- Self-mining revenue showed resilience for Phoenix with only **7% Q/Q** decrease despite lower mining economics due to our **new efficient sites in Oman and Canada**.
- Gross margin decreased by **26% Q/Q** given challenging mining environment and a **34%** drop in gross margin in self-mining business due to halving.
- Company contributed **12.1 EHs of processing power** to global bitcoin network with **global network share** reducing from 2.6% to **1.9% in Q2'24** driven by planned curtailment at Citadel.
- **Income from Investments increased by 16% Q/Q** primarily driven by gains on digital assets (investments in tokens such as Solana, Falcon & Rekt Studio).
- **Net Income** declined by 15% Q/Q to **\$47.6M** from \$56M in Q2'24 but still positive when compared to majority of competitors in the market who continue to report significant losses.

- We continue to retain and grow our **leadership position** in the region with several initiatives in the pipeline, some of which are noted below
- Announced **partnership with Tether** to develop **UAE dirham pegged stablecoin**
- New site **in Canada** with a **20MW** capacity went live in Sep 2024 and running at **99.8%** efficiency.
- Another **50MW site** secured and under development phase in North Dakota; expected to go live early 2025.
- Gains from investment in new businesses including **Falcons and Rekt Studio** which had their tokens listed in Sept 2024.
- Portfolio company, **Lyvely** launched its native token; the first registered SocialFi platform in the Middle East with listing in Oct 2024
- Inclusion in **ADX FADX 15 ISLAMIC INDEX**
- There are **no litigations against the Company**, nor are we involved in any claims.



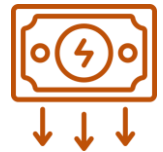
## Highly agile

Able to redeploy assets immediately



## Focus on optimization

Assets deployed in most profitable business, given any operating environment



## Operator at scale

Global player with low energy cost and efficient assets



## Access to proprietary investment opportunities

On first call list for token launches and divestments with strong return profile e.g. Rekt Studios (up \$66M), Falcons (up \$38M), Solana yielding 3.5x+ return since investment



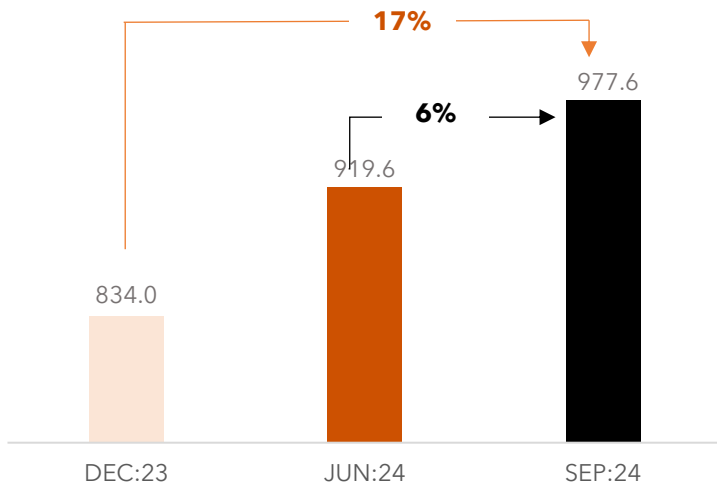
## Industry innovator

State-of-the-art design for MENA environment with continued technology deployment to drive efficiency and profitability

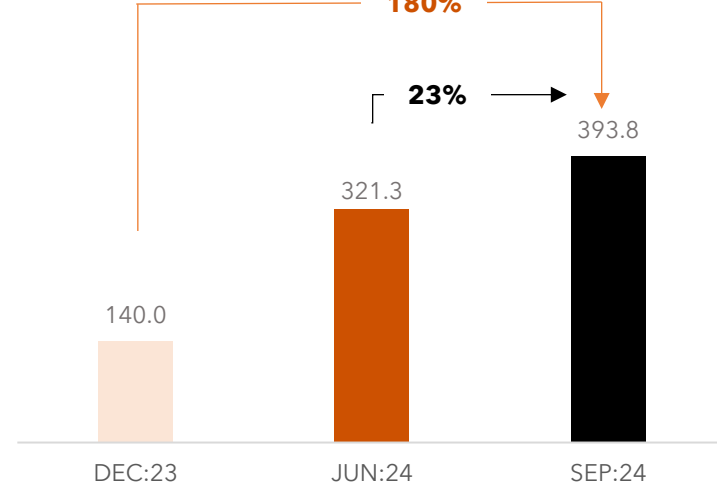
# PHOENIX GROUP PLC FINANCIAL REVIEW

Q3, 2024

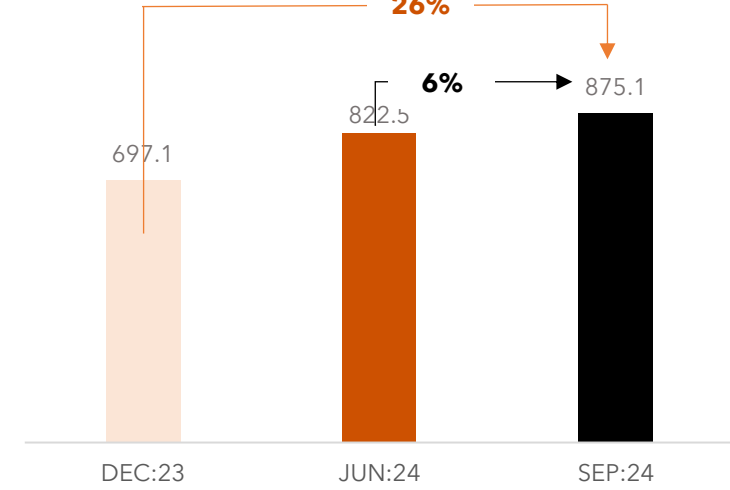
**TOTAL ASSETS**  
(USD MN)



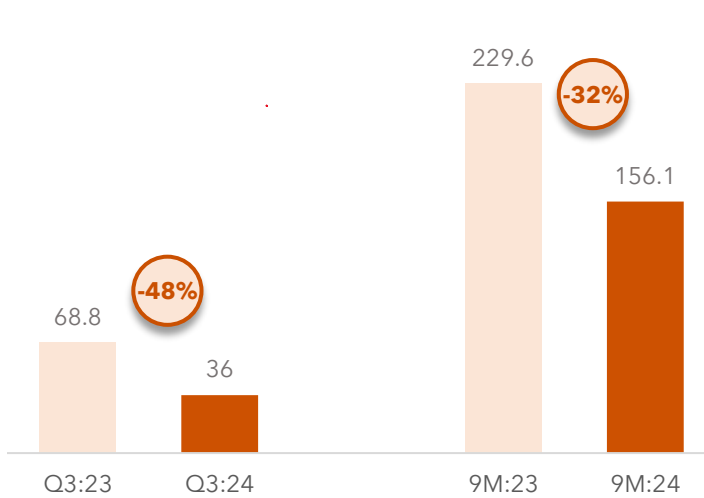
**TOTAL DIGITAL ASSETS**  
(USD MN)



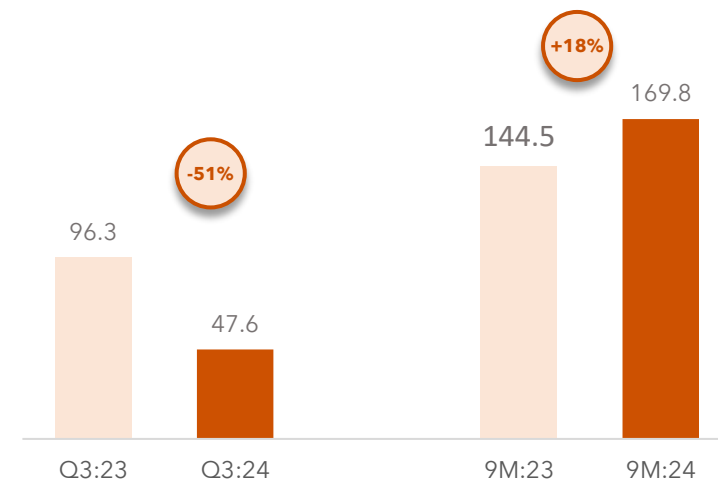
**TOTAL EQUITY**  
(USD MN)



**REVENUE** (USD MN)



**NET PROFIT**  
(USD MN)

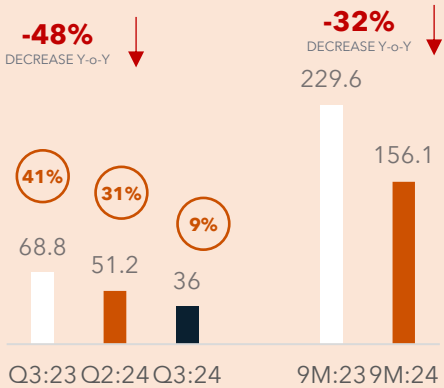


# PHOENIX GROUP PLC FINANCIAL REVIEW

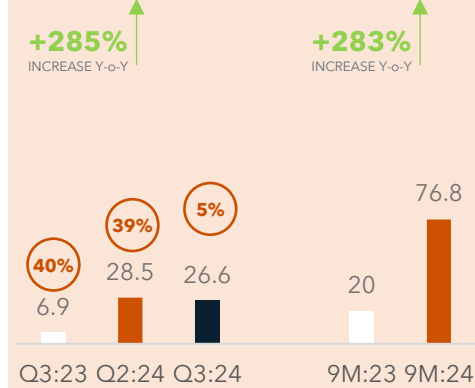
Q3, 2024

## REVENUE AND MARGIN BREAKDOWN

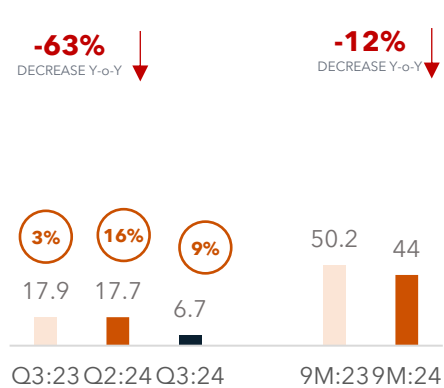
### GROSS REVENUE (Y-o-Y) (USD MN)



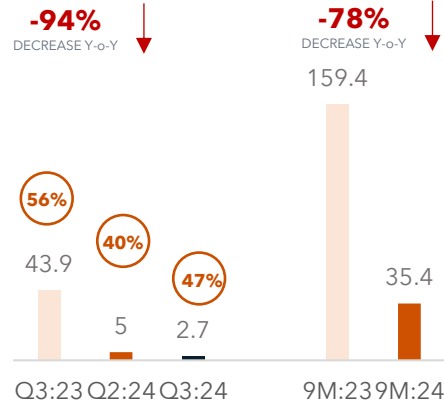
### SELF MINING REVENUE (Y-o-Y) (USD MN)



### HOSTING REVENUE (Y-o-Y) (USD MN)



### TRADING REVENUE (Y-o-Y) (USD MN)



## REVENUE

- While revenue declined, improved revenue mix with self-mining revenue was largest contributor in Q3.
- Decline led by decrease in trading and hosting revenue off the back of:
  1. Lower trading sales to have more mining machines in self mining business.
  2. Deteriorating economics for hosting clients post halving.
- Self-mining business continued to grow robustly with **285%** Y-o-Y quarter revenue and on par with the last Quarter's results. Growth achieved with increase in hash rate from 4.8 Ehs to **6.9** Ehs with new site coming on-line.
- Bullish Bitcoin outlook and believe self-mining growth will continue.

## GROSS MARGIN

- Gross margin decreased 22%pts Q-o-Q to **9%** led by changing revenue mix with trading decreasing 7%pts and decreased self-mining margin.
- Self mining 34%pt gross margin decline due to halving reducing rewards by 50% offset by low cost-efficient sites. We believe this will improve with the secular long run BTC bull run anticipated by the market.
- Hosting business gross margin up 7%pts off back of increase in electricity prices for customers.

# PHOENIX GROUP PLC OPERATIONAL MATRICES

Q3, 2024



## OVERALL BUSINESS

HASHING SHARE IN THE NETWORK  
**1.9%**

MINING EFFICIENCY  
**32.0 MW/EHs**

BTC MINING PER DAY<sup>1</sup>  
**6.6**

CURRENT POWER CONSUMPTION  
**~375 MW**

POWER COST PER KWHr<sup>2</sup>  
**5.70 cent**

### MINING

HASH RATE  
**6.9 EHs**

HASHING SHARE  
**1.06%**

BTC MINED PER DAY  
**4.6**

POWER CONSUMPTION  
**~221 MW**

MINING EFFICIENCY  
**32.1 MW/EHs**

### HOSTING

HASH RATE  
**1.1 EHs**

HASHING SHARE  
**0.17%**

BTC MINED PER DAY  
**1.6**

POWER CONSUMPTION  
**~34 MW**

MINING EFFICIENCY  
**31.8 MW/EHs**

### INVESTMENTS

HASH RATE  
**4.1 EHs**

HASHING SHARE  
**0.63%**

BTC SHARE PER DAY  
**0.45**

POWER CONSUMPTION  
**~120 MW**  
(INCL. CITADEL & OTHERS)

# PHOENIX GROUP PLC KEY HIGHLIGHTS

Q3, 2024

## REVENUE & INCOME


 SELF MINING  
**USD 26.6 MN**  
(7% DECLINE Q/Q )

 HOSTING  
**USD 6.6 MN**  
(62% DECLINE Q/Q )

 TRADING  
**USD 2.7 MN**  
(46% DECLINE Q/Q )

 INVESTMENT INCOME  
**USD 68.5 MN**  
(16% GROWTH Q/Q )

## MARGINS

 SELF MINING  
**5%**


 HOSTING  
**9%**

 TRADING  
**47%**

 GROSS MARGIN  
**9%**

## EFFICIENCY

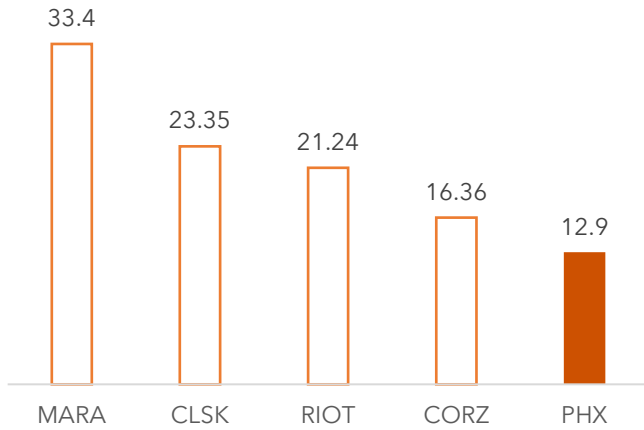
 HASH RATE  
**12.1 EHs**

 GLOBAL HASH RATE CONTRIBUTION  
**1.9%**

# PHOENIX GROUP PLC PEER COMPARISON

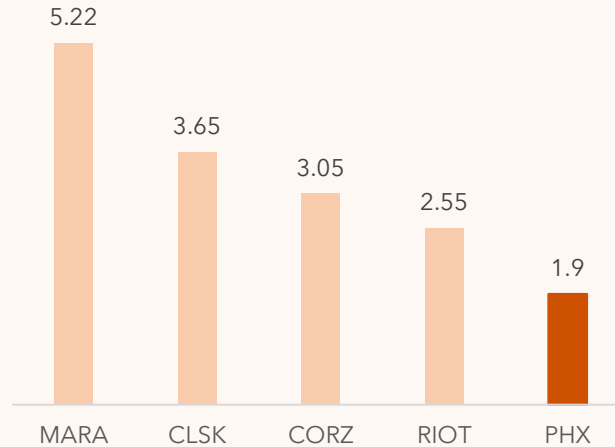
RANKED AMONG TOP 5 BASED ON LATEST AVAILABLE DATA  
Q3, 2024

## REALIZED HASHRATE OF TOP 5 BITCOIN MINING COMPANIES



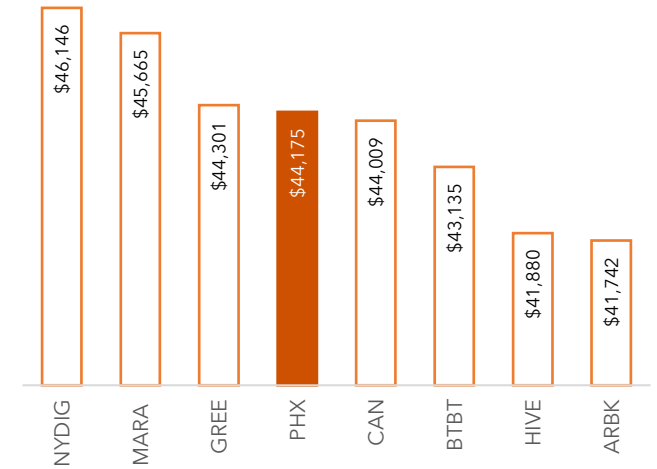
## MARKET SHARE OF TOP 5 BITCOIN MINING COMPANIES

(Based on the % share of a company BTC production over BTC total block reward in a month)



## IMPLIED COST OF MINING 1 BTC

(USD / BTC - Figures as of Q2, 2024 - Post-halving from proprietary hash rate)



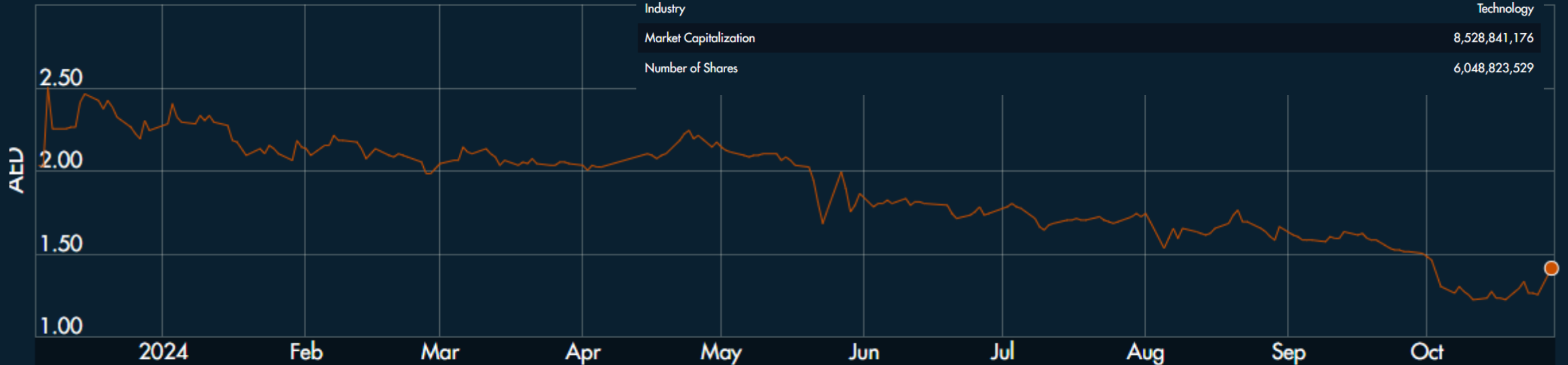
# PHOENIX GROUP PLC SHARE PRICE MOVEMENT

(AS OF OCT 28, 2024)

28/10/2024

Phoenix Open: 1.28 | High: 1.43 | Low: 1.28 | Close: 1.41

Currency	AED
Market	Abu Dhabi (AED)
ISIN code	AEE01357P238
Ticker code	PHX
Industry	Technology
Market Capitalization	8,528,841,176
Number of Shares	6,048,823,529



Volume (shares) : 41,027,609



# PHOENIX GROUP PLC CRYPTO-ADOPTION

UAE POSITIONED ITSELF AS MARKET LEADER IN ADOPTION OF DIGITAL ASSETS AND BLOCKCHAIN TECHNOLOGY Q3, 2024

- UAE ranked 3<sup>rd</sup> in overall Henley crypto adoption index 2024 report and is poised to lead MENA in crypto adoption in 2025
- The UAE has exempted cryptocurrency transfers and conversions from value-added tax, positioning itself as a more crypto-friendly jurisdiction for digital asset transactions.
- Additional approvals of ETFs throughout quarter
- UAE Central Bank has approved plan for stablecoin registration framework
- Phoenix has partnered with Tether to develop a UAE Dirham-Pegged Stablecoin
- Global crypto market supported by reduction in interest rates led by the US and China stimulus

## HENLEY'S CRYPTO ADOPTION INDEX

As of 2024

RANK	COUNTRY	TOTAL SCORE (OUT OF 60)
1 <sup>st</sup>	<u>Singapore</u>	45.7
2 <sup>nd</sup>	<u>Hong Kong (SAR China)</u>	42.1
3 <sup>rd</sup>	<u>UAE</u>	41.8
4 <sup>th</sup>	<u>USA</u>	41.7
5 <sup>th</sup>	<u>UK</u>	36.1
6 <sup>th</sup>	<u>Malta</u>	36.0
7 <sup>th</sup>	<u>Australia</u>	34.6
8 <sup>th</sup>	<u>Malaysia</u>	34.1
9 <sup>th</sup>	<u>Canada</u>	32.9
10 <sup>th</sup>	<u>Thailand</u>	31.9

## Phoenix 1.0



**Mining Business**

**Continued pivot to a diversified digital tech platform**



## Phoenix 2.0



**Data Centers**



**Digital Asset Investments**



**Web 3 & Technology Investments**



## DATA CENTERS

Closely monitor market adjusting **balance of self-mining and hosting services to maximize profits.**

Expect continued **focus on self-mining with long term bullish outlook on BTC.**

Recycle capital into profitable data center sites.

**Continued partnership exploration** to evaluate data centre partnerships globally.



## DIGITAL ASSET INVESTMENTS

**Deploy capital into proprietary digital asset investments** with strong risk return profile such as **Solana** returning **3.5x+ capital.**

Continue **agile management** of assets to take advantage of long-term **digital asset bull run.**



## WEB3 & TECHNOLOGY INVESTMENTS

Continue to **identify attractive investment opportunities in web3 and technology** with **focus on tokenization.**

Leverage unique position to further **support development of UAE digital asset ecosystem.**

Create **partnerships to bring leading technology to the UAE.**

# Q&A

### Soheib Ghizali — Head of Investor Relations



**Contact**

+971 4 323 9120



**Email**

soheib@phoenixgroupuae.com

### Abu Dhabi, United Arab Emirates



**Contact**

+971 4 323 9120



**Address**

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

### Dubai, United Arab Emirates



**Contact**

+971 4 323 9120



**Address**

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