



Q1 **2024**
FINANCIAL
RESULTS

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PHOENIX GROUP PLC PRESENTERS

Q1, 2024



Mr. Munaf Ali

Board Member, Co-founder &
Group Managing Director



Mr. Sheharyar Malhi

Board Secretary & Group CFO



PHOENIX

Sources:

1.PHOENIX GROUP PLC Q1 2024 Financials (Reviewed) as reported to ADX ;

<https://www.phoenixgroupuae.com>



CONTENT

Business Performance 5

Strategic Direction 6

Financial Review 7

Key Highlights 8

Operational Metrics 9

Peer Comparison 10

Bitcoin Halving 11

Financials 12

Looking Forward 13

Q&A 14

Connect with Us 15

- Overall profit for the quarter surged by **166% Y-o-Y**, primarily driven by gains in other investments. This growth was partially offset by the provision for income tax and a one-time finance cost of \$8.3 million, incurred from financing a 7.5% share in Citadel.
- Self-mining revenue skyrocketed by **266% Y-o-Y** to **\$21.6 million** due to a strategic emphasis on BTC mining.
- The company experienced a remarkable surge in investment gains, escalating from a modest **\$360,000 to \$82 million**, propelled by a robust investment strategy.
- First-quarter revenue for 2024 reached **\$69 million, reflecting a 16% Y-o-Y decrease but an 18% Q-o-Q increase**. The decline was chiefly attributed to a reduced number of trading deals compared to Q1 of the previous year.
- Gross margin saw a significant improvement of **12 percentage points Q-o-Q, reaching 34%**. This was driven by the sale of high-margin, state-of-the-art hydro miners in Q1 of 2024 and a revenue mix more inclined towards Self Mining, which boasts higher margins.



- We remain committed to our primary business while expanding our mining operations by acquiring new sites. We're currently finalizing contracts for new ventures, which are projected to add **400-500MW** of additional mining facilities.
- Investing in web3 businesses remains central to our corporate strategy, evidenced by recent substantial stake acquisitions of **M2, Lyvely, Falcon, and the recent - Rekt Studios**.
- As part of our short-term investment strategy, Phoenix has committed **100 BTC to M2**, securing a loop-loan equivalent to purchasing **337 BTC**.
- We've received **1,285 BTC** from Citadel as the first distribution, representing our 15% stake.
- There are **no litigations against the Company**, nor are we involved in any claims.



PHOENIX GROUP PLC FINANCIAL REVIEW

Q1, 2024

THE PHOENIX GROUP CONTINUES ITS IMPRESSIVE RISE WITH OUTSTANDING PERFORMANCE IN Q1.

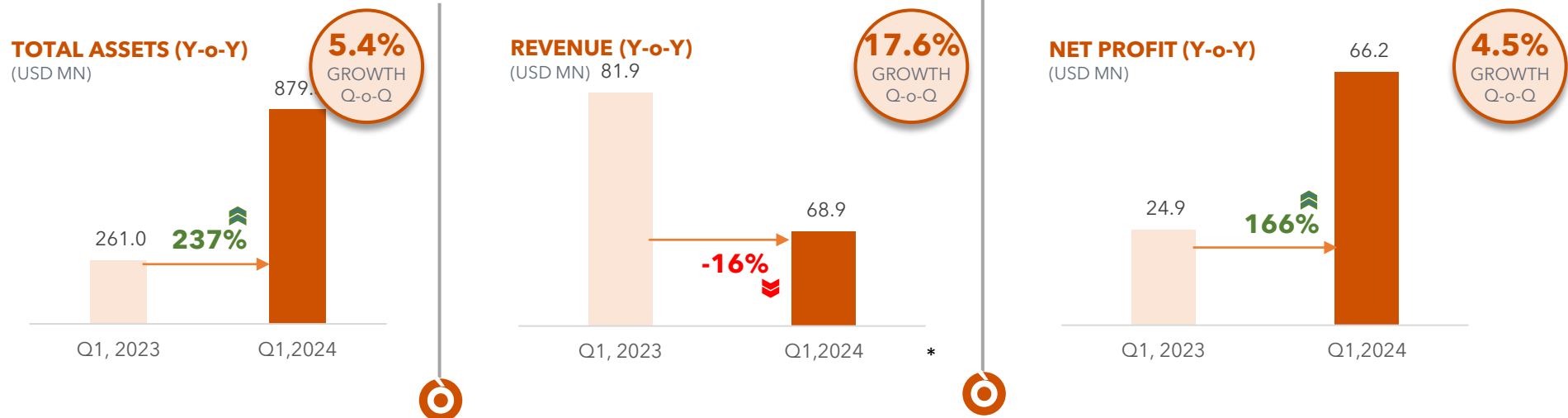
REVENUE¹
USD 68.9 MN
(AED 253.2 MN)

TOTAL COMPREHENSIVE INCOME¹
USD 102.3 MN
(AED 375.7 MN)

NET PROFIT AFTER TAX¹
USD 66.2 MN
(AED 243.2 MN)

TOTAL ASSETS¹
USD 879.3 MN
(AED 3.23 BN)

EPS¹
USD 0.011
(AED 0.04)



PHOENIX GROUP PLC KEY HIGHLIGHTS


Q1, 2024

REVENUE & INCOME



SELF MINING
USD 21.6 MN
(84% GROWTH Q/Q )



HOSTING
USD 19.5 MN
(22% DECLINE Q/Q )



TRADING
USD 27.7 MN
(28% GROWTH Q/Q )



INVESTMENT INCOME
USD 82.1 MN
(6% GROWTH Q/Q )

MARGINS



SELF MINING
49%



HOSTING
6%



TRADING
41%



GROSS MARGIN
34%

EFFICIENCY



TOTAL POWER CAPACITY
765 MW



HASH RATE
15.9 EHs



GLOBAL HASH RATE CONTRIBUTION
2.6%



Q1, 2024



OVERALL BUSINESS

HASHING SHARE IN THE NETWORK
2.6%

MINING EFFICIENCY
31.9 MW/EHs

BTC MINING PER DAY¹
15.2

CURRENT POWER CONSUMPTION
487 MW

POWER COST PER KWHr²
5.70 cent

MINING

HASH RATE
3.3 EHs

HASHING SHARE
0.53%

BTC MINED PER DAY
5.8

POWER CONSUMPTION
~108 MW

MINING EFFICIENCY
32.7 MW/EHs

HOSTING

HASH RATE
4.4 EHs

HASHING SHARE
0.73%

BTC MINED PER DAY
7.2

POWER CONSUMPTION
~138 MW

MINING EFFICIENCY
31.3 MW/EHs

INVESTMENTS

HASH RATE
8.2 EHs

HASHING SHARE
1.34%

BTC SHARE PER DAY
2.15

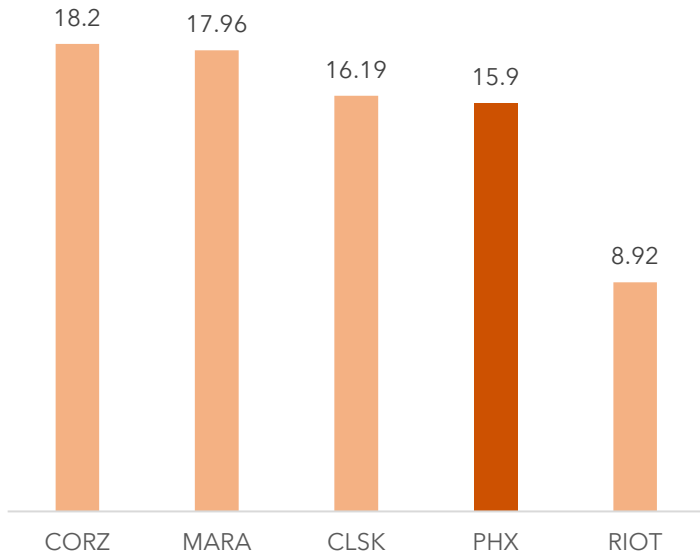
POWER CONSUMPTION
~241 MW
(INCL. CITADEL & OTHERS)

PHOENIX GROUP PLC PEER COMPARISON

RANKED AMONG TOP 5 BASED ON LATEST AVAILABLE DATA

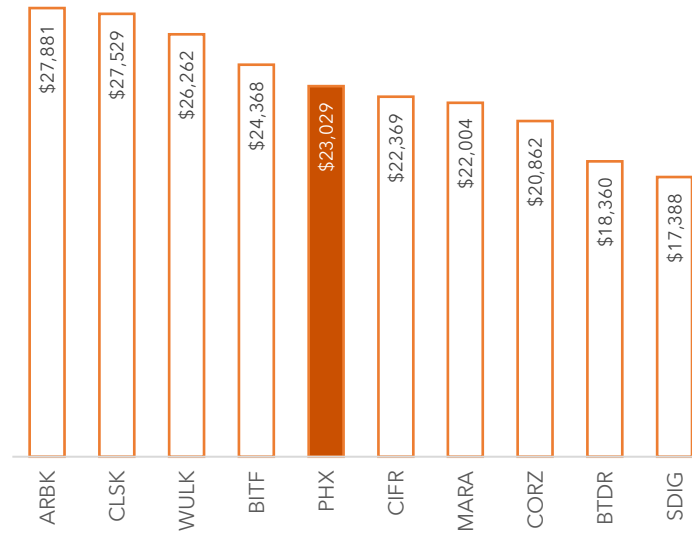
REALIZED HASHRATE OF TOP 5 BITCOIN MINING COMPANIES

(EH/s)



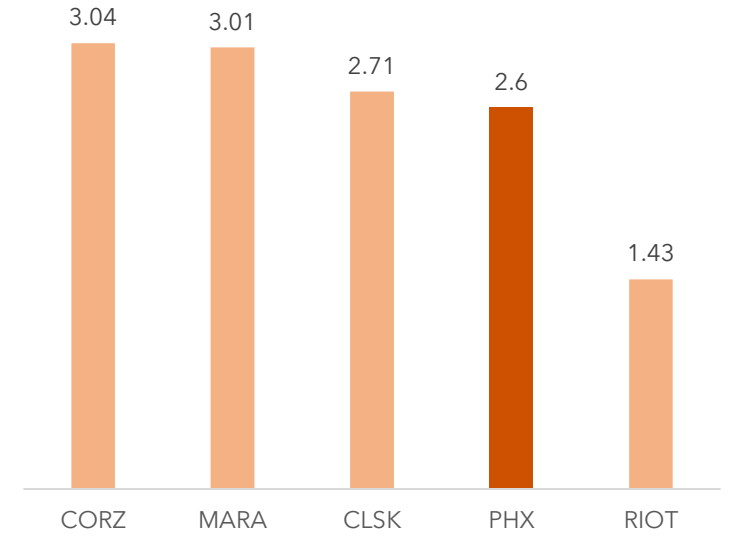
COST OF MINING 1 BTC

(USD / BTC)



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)



PHOENIX GROUP PLC BITCOIN HALVING

EXPECTED IMPACT IN Q2, 2024

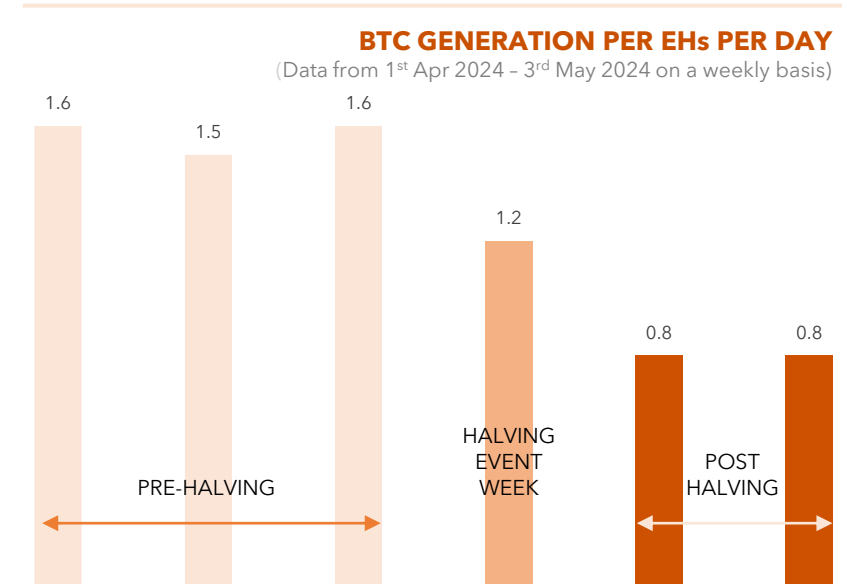


The Bitcoin blockchain underwent its fourth halving cycle around April 20th, resulting in a 50% reduction in block rewards from 6.25 BTC to 3.125 BTC. Halving events are significant in the Bitcoin ecosystem, as they increase the scarcity and value of the asset.

Following the halving, the BTC generation per EHs decreased from 1.7 BTC to 0.8 BTC.

During this halving cycle, a notable phenomenon occurred where transactions saw a substantial increase, leading to a surge in transaction fees. This surge helped miners earn higher rewards during the halving week, although rewards have since stabilized to around 0.8 BTC per EHs.

While halving events may have short-term negative impacts on miners, they often serve as catalysts for the next bull run over the medium to long term, benefiting efficient miners while potentially phasing out inefficient ones.



To navigate the challenges posed by this halving cycle, Phoenix has forged strategic partnerships with miner manufacturers, ensuring early access to the latest and more efficient models. These models will be deployed in our new sites in Oman, the US, Canada, and potential new locations.

In addition to securing access to cutting-edge mining technology, Phoenix is also actively developing a portfolio of projects with access to lower energy prices.

REVENUE BREAKDOWN

	Q1'24	Q1'23	Y/Y	-	Q4'23	Q/Q
Gross Revenue	68,932,065	81,927,839	-16%		58,609,053	18%
Trading	27,669,825	62,642,281	-56%		21,638,637	28%
Hosting	19,515,937	13,383,962	46%		25,133,602	-22%
Self Mining	21,599,865	5,901,596	266%		11,755,364	84%
Service Income	146,438	20,369	619%		81,450	80%
Gross Margin	34%	35%	-1%		22%	12%
Trading	41%	39%	2%		20%	21%
Hosting	6%	12%	-6%		11%	-5%
Self Mining	49%	44%	5%		49%	0%

- The revenue for Q1'24 clocked in at **\$69M** up 18% Q-o-Q . The growth in revenue was mainly led by 28% increase in trading revenue and 84% increase in self-mining on the back of-
 1. rally in BTC price,
 2. launch of Oman site
- The revenue gain was partially offset by **22%** decline in hosting revenue due to minimal digital mining deals and intentional prioritization of capacity allocation to self mining.
- Gross margin improved 12% Q-o-Q to **34%** led by sale of high margin latest technology hydro miners in Q1'24 and revenue mix more tilted towards Self Mining which has a higher margin.
- The company contributed 15.9 EHs of processing power to the global bitcoin network including all verticals. The share in global network marginally declined to 2.6% from 3% as BTC price rally enticed an exponential increase in global hash rate which grew from 516 EHs in Dec-23 to 611 EHs in Mar-24.

AS WE STEP INTO THE FUTURE OF CRYPTO MINING, OUR COMPANY STANDS POISED TO EMBARK ON A JOURNEY OF EXPONENTIAL GROWTH AND INNOVATION.

With a strategic focus on expanding our share in network hash rate, we envision leveraging our strong global position in the crypto market to lock in efficient and sustainable energy contracts, with strategic partners along with top tier equipment.



Phoenix aims to make strategic investments on young emerging blockchain projects with the potential to disrupt various day to day use cases.

We will also seek to develop technology backed innovations that will drive and empower the blockchain and web3 space.



Central to our business is our very profitable investment division where we intend to continue to seek value enhancing investment opportunities with specific focus on web 3.0 projects that will shape the future of the digital economy.



Q&A

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