



# Management Discussion & Analysis

---

**Q1, 2026**

NAME OF THE LISTED  
COMPANY

**PHOENIX GROUP PLC**

THE PERIOD OF THE  
FINANCIAL STATEMENTS  
COVERED BY THE REPORT

**First Quarter / Q1' 2026**

OVERVIEW OF THE  
RESULTS DURING THE  
FINANCIAL PERIOD

Phoenix Group PLC (ADX: PHX) is pleased to announce its Q1' 2026 results with the following highlights.

**Key Highlights:**

- In a significant post balance sheet event, Phoenix Group announced a strategic partnership with **DC Max Group S.À R.L.** to develop its first **European AI data center**, comprising an **18 MW facility located in Lyon, France**. The project represents the inaugural deployment under the Group's European Data Centre Platform, a scalable infrastructure framework targeting the development of over 1 GW of combined AI/HPC data center capacity across Europe and the GCC region. The agreement is signed subsequent to the period ending Mar 31, 2026.
- Positive adjusted EBITDA of **\$1.2M in Q1'26**, compared to a \$1.7m loss in Q1'25, driven by the company's continued shift toward self-mining and operational efficiency optimization.
- Self-mining gross margin remained strong at **42%** despite challenging market conditions, supported by optimized power strategies and flexible energy arrangements across key operating sites.
- Mining efficiency improved further to **19.53 J/TH in Q1'26**, down 5% from 20.54 J/TH in Q4'25, reflecting ongoing enhancements in fleet performance and infrastructure optimization
- Revenue for Q1'26 stood at **\$23M**, down 8% QoQ, mainly due to a 23% decline in average Bitcoin prices from \$100K to \$76K, which impacted self-mining revenue. The impact was partially offset by an 8% increase in hash rate from 15.9 EH/s to 17.2EH/s.
- Average power cost improved to **\$0.046/kWh** in Q1'26 from \$0.049/kWh in Q4'25, reflecting continued optimization in power procurement and operational efficiency.

## OVERVIEW OF THE RESULTS DURING THE FINANCIAL PERIOD

### Key Highlights

- Phoenix mined 406.5 BTC in Q1'26, up from 351.7 BTC in Q4'25, including 284.2 BTC from self-mining, supported by higher utilization rates and expanded operating capacity.
- Total opex declined 5% YoY to \$8.6M from \$9.0M in Q1'25, reflecting ongoing cost optimization initiatives and continued operational efficiency efforts.
- The Company reported a net loss of \$81M in Q1'26, mainly driven by unrealized losses on digital and financial assets, alongside non-cash impairment and depreciation charges. The loss is primarily driven by losses on investment portfolio of \$48.1M, and a total non-cash impairment and depreciation charge of \$30.8M.
- The company recorded a \$48M loss on its investment portfolio, primarily driven by a \$21M loss on Solana as the token price declined 33% from \$124 to \$83.

## SUMMARY OF PROFIT AND LOSS DURING THE PERIOD

All numbers in USD	Q1'26	Q1'25	Q4'25	Y/Y	Q/Q
<b>Gross Revenue</b>	<b>23,308,501</b>	<b>31,259,736</b>	<b>25,415,535</b>	<b>-25%</b>	<b>-8%</b>
Self-Mining	19,007,628	20,673,355	20,027,056	-8%	-5%
Hosting	4,299,073	3,788,830	4,964,236	13%	-13%
Trading	1,800	6,797,551	424,243	-100%	-100%
<b>Gross Margin</b>	<b>38%</b>	<b>20%</b>	<b>39%</b>	<b>17.8 pp</b>	<b>-2 pp</b>
Self-Mining	42%	30%	42%	11.9 pp	1 pp
Hosting	21%	-9%	24%	29.1 pp	-4 pp
Trading	8%	6%	90%	1.3 pp	-83 pp
<b>Hash Rate Avg (EH/s)</b>	<b>17.2</b>	<b>14.2</b>	<b>15.9</b>	<b>21%</b>	<b>8%</b>
<b>Contribution in Global Hash Rate</b>	<b>1.7%</b>	<b>1.7%</b>	<b>1.5%</b>	<b>-0.1 pp</b>	<b>0.3 pp</b>

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

Total Digital Assets: USD 228.1M  
Total Assets: USD 609M  
Total Equity: USD 552.3M

## OPERATIONAL METRICS FOR THE FINANCIAL PERIOD

### Overall Business

BTC Mining Per Day : 4.52  
Hashing Share in the Network : 1.7%  
Mining Efficiency : 23.8 MW /EHs  
Current Power Consumption : ~408 MW  
Power Cost Per KWh : 4.6 cent

### Business Verticals

- Self Mining

Hash Rate : 7.04 EHs  
Hashing Share in the Network : 0.71%  
BTC Mined Per Day : 3.16  
Power Consumption : ~137.5 MW  
Mining Efficiency : 19.53 MW / EHs

- Hosting

Hash Rate : 1.78 EHs  
Hashing Share in the Network : 0.18%  
BTC Mined Per Day : 0.8  
Power Consumption : ~30.72 MW  
Mining Efficiency : 17.26 MW / EHs

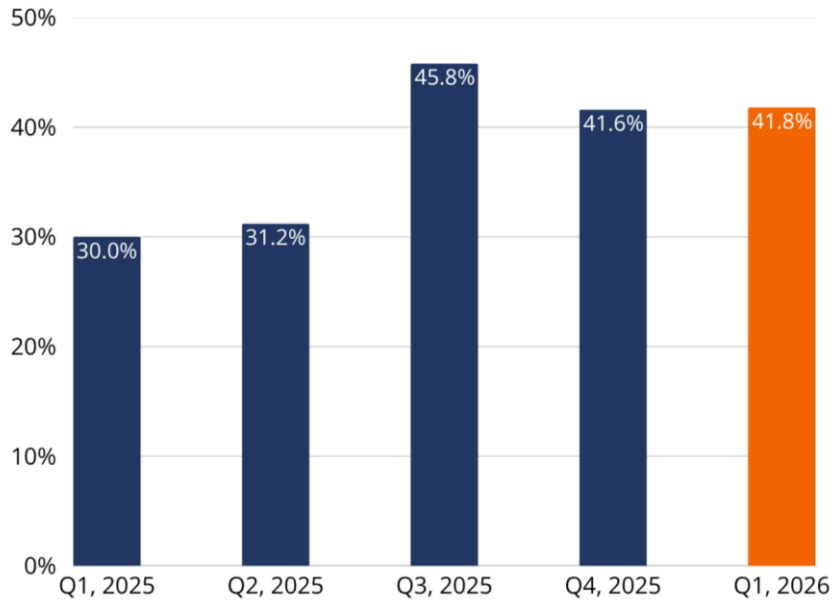
- JV Investments

Hash Rate : 8.35 EHs  
Hashing Share in the Network : 0.84%  
BTC Share Per Day : 0.56  
Power Consumption : ~241MW  
(Incl. CITADEL & Others)

**SUMMARY OF  
OPTIMIZATION  
INITIATIVES**

Self-Mining Gross Margin remained strong at 41.8% in Q1'26, broadly stable compared to 41.6% in Q4'25 despite continued volatility and competitive conditions across the bitcoin mining market.

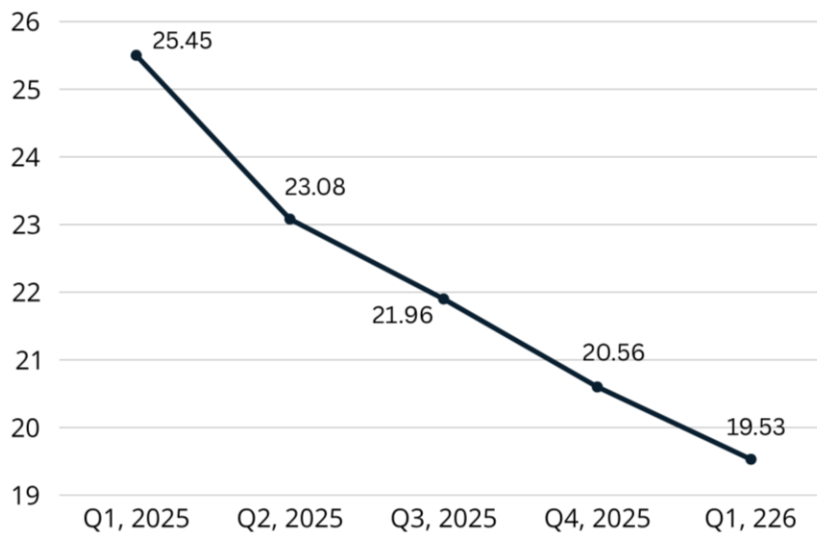
**Self Mining Gross Margin**



**This has been achieved with:**

1. Mining Efficiency improved from 20.6 J/TH in Q4'25 to 19.53 J/TH in Q1'26.

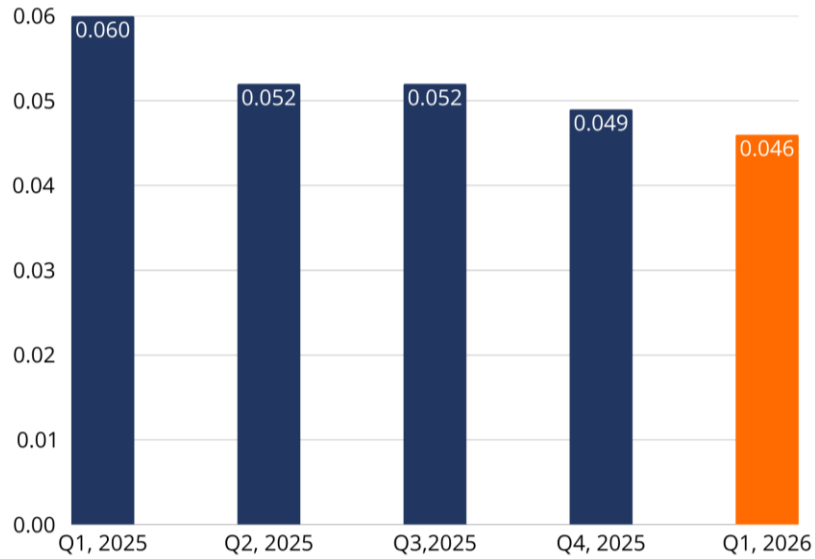
**Mining Efficiency (J/TH)**



SUMMARY OF  
OPTIMIZATION  
INITIATIVES

Average power cost improved from \$0.049/kWh in Q4'25 to \$0.046/kWh in Q1'26.


**Avg Power Price (\$/Kwh)**



Ongoing optimization initiatives continue to enhance operational efficiency, driving Cost per PH/day even lower and reinforcing the company's competitive position while supporting sustained long-term value creation.

**PROJECT HIGHLIGHTS :  
LYON, FRANCE**

- In a significant post balance sheet event, Phoenix Group announced a strategic partnership with **DC Max Group S.À R.L.** to develop its first **European AI data center**, comprising an **18 MW facility located in Lyon, France**. The project represents the inaugural deployment under the Group’s European Data Centre Platform, a scalable infrastructure framework targeting the development of over 1 GW of combined AI/HPC data center capacity across Europe and the GCC region. The agreement is signed subsequent to the period ending Mar 31, 2026.
- Designed for **hyperscale and enterprise customers**, the platform is structured around long-term, contracted infrastructure revenue, aligning with the shift toward stable, compute-driven income streams.
- Importantly, **Lyon is not a standalone asset**; it is first step in a **multi-site rollout**, with additional projects under evaluation and development, positioning the Company to **scale AI capacity across Europe**.

 <p><b>STRATEGIC LOCATION</b> Dardilly, Lyon: strategic European digital infrastructure hub</p>	 <p><b>POWER ADVANTAGE</b> Access to grid-ready power with &gt;90% low-carbon energy mix</p>	 <p><b>STRONG DEMAND FUNDAMENTALS</b> Positioned in a high-growth European AI compute market</p>	 <p><b>REGULATORY &amp; INFRASTRUCTURE EXCELLENCE</b> Stable regulation with strong digital infrastructure foundations</p>	 <p><b>COMMERCIAL POTENTIAL</b> Long-term revenue potential from enterprise &amp; hyperscale demand</p>	 <p><b>PLATFORM FOR EXPANSION</b> Scalable model supported by a 1GW+ Europeans pipeline</p>
--	---	---	---	---	--

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

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

**FUTURE PLANS FOR  
GROWTH AND CHANGES  
IN OPERATIONS IN FUTURE  
PERIODS –**

**PHOENIX'S AI  
DATA CENTER  
PLATFORM**

Phoenix is expanding into **AI and HPC infrastructure**, building on its core strength in power and large-scale compute, marking a **natural evolution of its existing platform.**

**STRATEGIC PARTNERSHIP STRUCTURE**



A scalable platform designed to deliver high-quality, long-term AI infrastructure assets across Europe.	INITIAL CAPACITY <b>18 MW</b> AI-ready facility in Lyon	PIPELINE OPPORTUNITIES <b>1 GW+</b> Across France	POWER MIX <b>&gt;90%</b> Low-carbon electricity	MODEL <b>REPEATABLE</b> High-quality expansion platform
---	---	---	---	---

**BUILDING THE FUTURE OF  
AI INFRASTRUCTURE -  
PHOENIX'S NEXT  
STAGE OF  
EVOLUTION**

Phoenix is uniquely positioned at the intersection of energy, compute and capital to deliver and scale next-generation AI infrastructure across Europe and beyond.

Our focus is on securing power, advancing permits, and executing at speed to achieve energization and deliver long-term value.

 <p><b>UNIQUE POSITION</b></p> <p>Deep expertise in power, infrastructure and large-scale compute deployment.</p>	 <p><b>STRATEGIC FOOTPRINT</b></p> <p>Lyon provides a powerful European entry point with significant expansion potential.</p>	 <p><b>STRONG PARTNERSHIP</b></p> <p>Phoenix and DC MAX combine global scale with local expertise to create lasting value.</p>	 <p><b>EXECUTION FOCUS</b></p> <p>Clear roadmap to energisation and customer delivery with disciplined project execution.</p>	 <p><b>ATTRACTIVE MARKET</b></p> <p>Structural supply-demand imbalance and strong financing environment support long-term growth.</p>	 <p><b>SCALABLE PLATFORM</b></p> <p>A repeatable model designed to deliver sustainable returns and multi-site expansion.</p>
--	--	---	--	--	---

## DISCLAIMER

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

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

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




# Q1 '2026

## MANAGEMENT DISCUSSION & ANALYSIS

---


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


### **Soheib Ghizali — Head of Investor Relations**

 **Contact**  
+971 4 323 9120


 **Email**  
soheib@phoenixgroupuae.com


### **Abu Dhabi, United Arab Emirates**

 **Contact**  
+971 4 323 9120

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

### **Dubai, United Arab Emirates**

 **Contact**  
+971 4 323 9120

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