

Phoenix Group PLC

DIRECTORS' REPORT AND CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

Phoenix Group PLC

Directors’ report and condensed consolidated interim financial statements
for the six-month period ended 30 June 2025

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Phoenix Group PLC

Directors' report

for the six-month period ended 30 June 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 six-month period ended 30 June 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, US, 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 six-month period ended 30 June 2025, the Group reported revenue of USD 60,392 thousand (30 June 2024 (unaudited): USD 120,139 thousand) and loss for the period attributable to the shareholders of USD 182,768 thousand (30 June 2024 (unaudited): profit of USD 122,285 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

Report on review of condensed consolidated interim financial statements

To: The Shareholders of Phoenix Group PLC

Introduction

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

Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - Interim Financial Reporting (*referred to as "IAS 34"*). Our responsibility is to express a conclusion on this 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 statement 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 IAS 34.

For RAI LLP,



Ashraf Eradhun
30 July 2025
Abu Dhabi
United Arab Emirates

Phoenix Group PLC

Condensed consolidated interim statement of financial position As at 30 June 2025


		<i>As at</i> 30 June 2025	<i>As at</i> 31 December 2024
	Notes	USD'000 (unaudited)	USD'000 (audited)
ASSETS			
Non-current assets			
Property and equipment	5	364,412	252,190
Right-of-use asset		332	447
Intangible assets		619	848
Investment in associates	6	45,755	53,660
Other financial asset	7	569	-
Deferred tax asset	30	-	380
Advances and deposits	11	28,904	138,551
		<u>440,591</u>	<u>446,076</u>
Current assets			
Digital assets	8	295,436	441,528
Inventories	9	782	845
Trade receivables	10	13,053	26,538
Advances, deposits and other receivables	11	22,534	26,824
Due from related parties	14	357	250
Cash and short-term deposits	12	8,768	20,310
		<u>340,930</u>	<u>516,295</u>
Total assets		<u>781,521</u>	<u>962,371</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13(i)	164,706	164,706
Share premium	13(i)	345,882	345,882
Other reserves	13(ii)	16,355	18,524
Statutory reserve		14	14
Retained earnings		204,902	362,898
Own shares	13(iii)	(12)	(263)
Total equity		<u>731,847</u>	<u>891,761</u>
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	15	1,017	1,312
Interest-bearing loans	16	3,224	3,376
Shareholders' loan	14	-	9,318
		<u>4,241</u>	<u>14,006</u>

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Condensed consolidated interim statement of financial position *(continued)* As at 30 June 2025

		<i>As at</i> 30 June 2025 USD'000 (unaudited)	<i>As at</i> 31 December 2024 USD'000 (audited)
	Notes		
Current liabilities			
Lease liability		401	390
Interest-bearing loans	16	24,907	15,180
Shareholders' loan	14	-	10,000
Trade payables		2,967	3,667
Corporate tax provision	30	533	-
Other liabilities	17	16,625	27,367
		45,433	56,604
Total liabilities		49,674	70,610
Total equity and liabilities		781,521	962,371

These condensed consolidated interim financial statements were authorised for issue on 30 July 2025 and signed by:

Signed by:

 A05333098C404FB...
H.E. Tareq Abdulraheem Al Hosani
 Chairman of the board

Signed by:

 37797D5A373F481...
Munaf Ali
 Group CEO & Board Member

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

Phoenix Group PLC

Condensed consolidated interim statement of profit or loss For the period ended 30 June 2025

	Notes	<i>Three-month period ended 30 June</i>		<i>Six-month period ended 30 June</i>	
		2025 USD'000 (unaudited)	2024 USD'000 (unaudited)	2025 USD'000 (unaudited)	2024 USD'000 (unaudited)
Revenue	20	29,132	51,207	60,392	120,139
Other operating income	21	500	273	1,526	342
		29,632	51,480	61,918	120,481
<u>Expenses</u>					
Self-mining electricity costs	22	(14,487)	(17,380)	(28,967)	(28,460)
Hosting electricity costs	22	(3,227)	(14,823)	(7,341)	(33,205)
Cost of inventory consumed	22	(3,300)	(1,439)	(9,654)	(11,708)
Staff costs	23	(3,789)	(4,251)	(8,129)	(7,723)
Other operating expenses	24	(4,474)	(5,232)	(9,151)	(8,137)
Foreign exchange gain / (loss)		24	(15)	10	(28)
Adjusted EBITDA*		379	8,340	(1,314)	31,220
Depreciation and amortisation	26	(9,626)	(854)	(17,756)	(1,112)
Operating (loss) / profit		(9,247)	7,486	(19,070)	30,108
Share of results of associates – net of tax	6	(2,510)	(2,322)	(4,709)	452
Unrealised (loss)/gain on digital assets at FVTPL	8	(23,659)	60,138	(166,062)	133,269
Unrealised loss on financial asset at FVTPL	7	(181)	-	(181)	-
Realised gain on sale of digital assets at FVTPL	8	8,299	802	7,971	1,072
Provision, impairments and write-down, net	25	3	(3,927)	778	(22,791)
Finance income		59	-	117	1,106
Finance costs	28	(227)	(536)	(699)	(8,882)
(Loss)/profit before tax for the period		(27,463)	61,641	(181,855)	134,334
Income tax expense	30	(1,707)	(5,507)	(913)	(12,049)
(Loss)/profit for the period attributable to the shareholders		(29,170)	56,134	(182,768)	122,285
(Loss)/ earnings per share					
Basic and diluted (USD)	27	(0.005)	0.009	(0.03)	0.020

*Adjusted EBITDA is a non-IFRS measure and refers to earnings before interest 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 June 2025

	Notes	<i>Three-month period ended 30 June</i>		<i>Six-month period ended 30 June</i>	
		2025	2024	2025	2024
		USD'000 (unaudited)	USD'000 (unaudited)	USD'000 (unaudited)	USD'000 (unaudited)
(Loss)/profit after tax for the period		(29,170)	56,134	(182,768)	122,285
<i>Other comprehensive income/(loss)</i>					
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>					
Exchange loss on translation of foreign subsidiaries - net of taxes		(80)	(10)	(83)	(11)
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>					
Share of other comprehensive income/(loss) from associate – net of tax	6	1,245	(177)	1,864	34,454
Gain/(loss) on revaluation of digital assets – net of tax	8	9,291	(1,316)	5,529	175
Other comprehensive income/(loss) for the period		10,456	(1,503)	7,310	34,618
Total comprehensive (loss)/ income for the period attributable to the shareholders		(18,714)	54,631	(175,458)	156,903

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

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Condensed consolidated interim statement of changes in equity For the six-month period ended 30 June 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	-	-	-	-	-	122,285	-	122,285
Other comprehensive income	-	-	34,618	-	-	-	-	34,618
Total comprehensive income for the period	-	-	34,618	-	-	122,285	-	156,903
Repayment of capital contribution*	-	-	-	(24,995)	-	-	-	(24,995)
Own shares purchased	-	-	-	-	-	-	(5,813)	(5,813)
Depreciation on revalued asset	-	-	(437)	-	-	437	-	-
Loss on sale of own shares sold	-	-	-	-	-	(680)	-	(680)
At 30 June 2024 (unaudited)	164,706	345,882	58,692	-	14	259,054	(5,813)	822,535
At 1 January 2025 (audited)	164,706	345,882	18,524	-	14	362,898	(263)	891,761
Loss for the period	-	-	-	-	-	(182,768)	-	(182,768)
Other comprehensive income	-	-	7,310	-	-	-	-	7,310
Total comprehensive loss for the period	-	-	7,310	-	-	(182,768)	-	(175,458)
Own shares sold (net of purchases) (Note 13 (iii))	-	-	-	-	-	-	251	251
Realised gain transferred to retained earnings (Note 13 (ii) (c))	-	-	(9,333)	-	-	9,333	-	-
Depreciation on revalued asset	-	-	(146)	-	-	146	-	-
Waiver of shareholder loan (Note 14 (i) (e))	-	-	-	-	-	15,318	-	15,318
Loss on sale of own shares sold ((Note 13 (iii)))	-	-	-	-	-	(25)	-	(25)
At 30 June 2025 (unaudited)	164,706	345,882	16,355	-	14	204,902	(12)	731,847

*Capital contribution from a shareholder was repaid during the period ended 30 June 2024.

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

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Condensed consolidated interim statement of cash flows For the six-month period ended 30 June 2025

		<i>Six-month period ended 30 June (unaudited)</i>	
		2025	2024
	Notes	USD'000	USD'000
Operating activities			
(Loss)/profit before tax for the period		(181,855)	134,334
Adjustments for:			
Depreciation on property and equipment	26	17,412	982
Amortisation on intangible assets	26	229	14
Depreciation on right-of-use asset	26	115	116
Share of results of associates	6	4,709	(453)
Loss/(gain) on digital assets at FVTPL	8	166,062	(133,269)
Loss on other financial asset at FVTPL	7	181	-
Realised loss/(gain) on sale of digital assets – FVTPL	8	(7,971)	(1,072)
Impairment loss on inventory		-	18,839
Staking income	21	(1,059)	-
Inventory written off	25	29	2,629
Impairment of CWIP		-	1,169
Asset written off	25	24	-
Employees' end of service benefits provision	15	228	162
(Reversal) / allowance for expected credit losses	25	(831)	1,319
Finance costs	28	699	8,882
Finance income		(117)	(1,106)
		(2,145)	32,546
Changes in working capital:			
Inventories		(124,178)	(82,948)
Trade receivables		14,316	15,312
Advances, deposits and other receivables		113,937	(70,888)
Due from related parties		(107)	(147)
Digital assets		5,863	57,829
Trade payables		(700)	4,394
Other liabilities		(10,742)	(14,296)
Due to related parties		-	(54,698)
		(3,756)	(112,896)
Employees' end of service benefits paid		(523)	(9)
Finance income received		117	1,106
Net cash used in operating activities		(4,162)	(111,799)
Investing activities			
Purchase of property and equipment	5	(5,446)	(23,472)
Investment in an associate	6	(6,214)	(4,988)
Investment made in a financial asset		(750)	-
Advance paid for investment		-	(2,500)
Purchase of intangible assets		-	(6)
Net cash flows used in investing activities		(12,410)	(30,966)

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Condensed consolidated interim statement of cash flows *(continued)* For the six-month period ended 30 June 2025

		<i>Six-month period ended</i>	
		<i>30 June (unaudited)</i>	<i>2024</i>
	Notes	2025	2024
		USD'000	USD'000
Financing activities			
Proceeds from interest-bearing loans	16	45,273	-
Repayment of interest-bearing loans	16	(35,698)	(81)
Finance cost paid		(688)	(8,225)
Advances and net sales / (purchases) of own shares		226	(10,000)
Payment of lease liability		-	(136)
Repayment of shareholders' loan	14	(4,000)	-
Repayment of capital contribution to shareholder		-	(24,995)
Net cash flows generated from / (used in) financing activities		5,113	(43,437)
Net decrease in cash and cash equivalents		(11,459)	(186,202)
Net foreign exchange difference		(83)	(11)
Cash and cash equivalents at 1 January		20,310	198,165
Cash and cash equivalents at 30 June	11	8,768	11,952

Significant non-cash transactions

Loan from M2 Capital Holding Limited and its settlement in the form of BTC	7	-	12,081
Dividend from an associate	6	-	92,496
Waiver of shareholders' loan	13	15,318	-

The cash and cash equivalents stated above do not include liquid digital assets valued at USD 5,663 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.

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Notes to the condensed consolidated interim financial statements For the six-month period ended 30 June 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, US, 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 six-month period ended 30 June 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 six-month period ended 30 June 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, financial asset 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.

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 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 utilization 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)

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 estimates made with respect to investment in financial asset at FVPTL, the fair value of which is determined based on the net asset value (NAV) provided by the fund manager on each reporting date.

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

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 financial statements under the historical cost convention except for measurement at fair value of digital assets, building and investment in financial asset, 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.

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 June 2025 and 31 December 2024:

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
30 June 2025 (unaudited)				
<i>Assets which are at fair value</i>				
Building (Note 5)	-	21,704	-	21,704
Other financial asset (Note 7)	-	330	239	569
Digital assets (Note 8)	207,280	88,156	-	295,436
	<u>207,280</u>	<u>110,190</u>	<u>239</u>	<u>317,709</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 categorization (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 June 2025 and 31 December 2024, there are no transfers within the levels of fair value measurements.

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Notes to the condensed consolidated interim financial statements *(continued)*

For the six-month period ended 30 June 2025

5 Property and equipment

	Building 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
Cost:									
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 5.5)	-	87,811	-	140	-	-	-	58,863	146,814
Transfers from CWIP (Note 5.3)	-	-	46,457	50,668	309	-	-	(97,434)	-
Transfer to inventories (Note 5.4)	-	(19,866)	-	-	-	-	-	-	(19,866)
Transfer to deposits and other assets	-	-	-	-	-	-	-	(7,588)	(7,588)
Write-off	-	-	(472)	-	-	-	-	(3,812)	(4,284)
At 31 December 2024 (audited)	21,704	67,945	45,985	50,819	2,783	270	51	75,783	265,340
Additions	-	-	-	32	-	11	29	5,374	5,446
Transfers from inventories (Notes 5.5 and 5.6)	-	16,183	-	105	-	-	-	117,524	133,812
Transfers from CWIP (Note 5.3)	-	55,763	9,479	14,808	9	-	-	(80,059)	-
Transfers to inventories (Note 5.4)	-	(10,003)	-	-	-	-	-	-	(10,003)
Write-off (Note 25)	-	(24)	-	-	-	-	-	-	(24)
At 30 June 2025	21,704	129,864	55,464	65,764	2,792	281	80	118,622	394,571
Accumulated depreciation:									
At 1 January 2024	516	-	-	-	649	75	-	-	1,240
Charge for the year	842	9,985	816	1,904	536	61	3	-	14,147
Transfer to inventories (Note 5.4)	-	(2,237)	-	-	-	-	-	-	(2,237)
At 31 December 2024 (audited)	1,358	7,748	816	1,904	1,185	136	3	-	13,150
Charge for the period	275	13,838	901	2,075	280	33	10	-	17,412
Transfer to inventories (Note 5.4)	-	(403)	-	-	-	-	-	-	(403)
At 30 June 2025	1,633	21,183	1,717	3,979	1,465	169	13	-	30,159
Net carrying amount:									
At 30 June 2025 (unaudited)	20,071	108,681	53,747	61,785	1,327	112	67	118,622	364,412
At 31 December 2024 (audited)	20,346	60,197	45,169	48,915	1,598	134	48	75,783	252,190

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 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. The management of the Group expects the projects relating to capital work-in-progress to be completed by third quarter of 2025.
- 5.3 During the period ended 30 June 2025, USD 24,287 thousand (2024 (audited): USD 97,125 thousand) has been reclassified from CWIP to data centers and machinery upon completion of CWIP. The useful life of data centres and machinery are determined as 30 years and 15 years respectively, over which these assets will be depreciated.
- 5.4 During the period, mining equipment costing USD 10,003 thousand (2024 (audited): USD 19,866 thousand) and accumulated depreciation of USD 403 thousand (2024 (audited): USD 2,237 thousand) is transferred to inventory. The transfer are made as per the Group's policy.
- 5.5 During the period, mining equipment has been transferred from inventory to property and equipment, as a result, an amount of USD 16,183 thousand (2024 (audited): USD 87,811 thousand) has been reclassified from inventory to property and equipment and depreciation charge of USD 13,838 thousand (2024 (audited): USD 9,985 thousand) has been recognised during the period. The reclassification is made in line with the Group's policy.
- 5.6 The balance includes USD 97,714 thousand, out of the total USD 117,524 thousand, representing assets in-transit. These assets are expected to arrive during the third quarter of 2025 and will be capitalised upon installation of the miners at the respective sites.
- 5.7 Management has determined that there are no indicators of impairment of the Group's property and equipment at the reporting date as the assets continue to operate in the normal course of business. Furthermore, the property and equipment's fair value are determined to be higher than their carrying amounts.

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> 30 June 2025 USD'000 (unaudited)	<i>As at</i> 31 December 2024 USD'000 (audited)
Investment in Citadel Technologies Group LLC (Citadel)	45,755	53,660
Investment in Lyvely FZE (Lyvely)	-	-
Investment in Bitzero Blockchain Inc. (Bitzero)	-	-
Investment in M2 Holdings Limited (M2)	-	-
	<u>45,755</u>	<u>53,660</u>

Phoenix Group PLC

Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

6 Investment in associates *(continued)*

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:

	2025 USD'000 (unaudited)	2024 USD'000 (audited)
At 1 January	53,660	120,310
Additions - Citadel	6,214	11,904
Dividends received - Citadel	(11,274)	(109,300)
Share of results	(4,709)	(6,922)
Distribution from Lyvely	-	(1,995)
Share of other comprehensive income	1,864	39,663
At 30 June / 31 December	45,755	53,660

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

During the period ended 30 June 2025, the Group has made investments in Anagram Assets LP.

	2025 USD'000 (unaudited)	2024 USD'000 (audited)
At 1 January	-	-
Investment made during the period	750	-
Unrealised loss	(181)	-
At 30 June / 31 December	569	-

During the period, the Group has made an investment of USD 750 thousand in below funds:

- 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 due to the use of unobservable inputs, including the underlying portfolio company valuations and lack of liquidity.
- 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.

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

	As at 30 June 2025 USD'000 (unaudited)	As at 31 December 2024 USD'000 (audited)
Digital assets – inventories <i>(a)</i>	238,884	410,640
Digital assets – intangible assets <i>(b)</i>	56,552	30,888
	295,436	441,528

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

8 Digital assets *(continued)*

(a) Accounted under inventory methodology

The Group has determined that its holding of certain digital asset should be accounted for under IAS 2 Inventories, as it meets the definition of a commodity broker-trader. Under IAS 2, digital assets are measured at fair value less cost to sell, with changes in fair value recognized in condensed consolidated interim statement of profit or loss. In accordance with IAS 2, commodity broker-traders are those who buy or sell commodities for others or on their own account. The inventories held by commodity broker-traders are principally acquired for the purpose of selling in the future and generating a profit from fluctuations in price or broker-traders' margin. As these inventories are measured at fair value less costs to sell, they are excluded from only the measurement requirements of IAS 2.

By applying the principles of IAS 2, the Group treats its digital assets as inventory, measured at fair value less cost to sell. Consequently, any changes in fair value are recognized in the condensed consolidated interim statement of profit or loss. Management believes that recognizing digital assets at fair value through the profit and loss accurately reflects the economic substance of their trading activities and is in line with the Group's overall strategic vision for holding these assets.

	2025 USD'000 (unaudited)	2024 USD'000 (audited)
At 1 January	410,640	136,710
Additions as commodity contract (i)	-	12,080
Additions (ii)	12,964	56,065
Disposals as commodity contract	-	(14,987)
Disposals	(26,629)	(9,182)
Realised gain	7,971	4,529
Change in fair value	(166,062)	225,425
At 30 June / 31 December	238,884	410,640

(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's 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.

(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 June 2025, staking rewards earned 28,489 SOL, which have been recorded as part of the additions during the year, totalling USD 979 thousand.

Since SOL tokens with lock-in period are not traded in primary market, therefore these are discounted at 90% and disclosed as Level 2 valuation in the condensed consolidated interim financial statements in line with IFRS 13 guidance.

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

8 Digital assets *(continued)*

(a) Accounted under inventory methodology (continued)

(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 Phoenix. The 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 June 2025, SOL tokens equivalent to USD 5,086 thousand have been received under this contract.

(ii)(c) For the period ended 30 June 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.

(b) Accounted under intangible asset methodology

The Group carries out mining of digital assets and recognizes revenue in relation to assets through mining activity with corresponding recognition of intangible assets under IAS 38, Intangible Assets. Such intangible assets have an indefinite useful life, initially measured at cost, deemed to be the fair value upon receipt, and subsequently measured under the revaluation model. Under the revaluation model, increases or decreases in the digital asset's carrying amount is recognized in condensed consolidated interim statement of comprehensive income and the revaluation reserve in equity, unless it reverses valuation deficit of the same asset previously recognised in condensed consolidated interim statement of profit or loss. A revaluation deficit is recognised in condensed consolidated interim statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve.

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-mined token (Note 20)	437	41,737	1,661	106,843
Dividend from citadel (Note 6)	117	11,274	1,464	109,300
Acquired during the year	68	6,607	4	223
Disposals	(236)	(22,006)	(3,038)	(217,552)
Realised gain	-	927	-	9,210
Change in fair value	-	4,602	-	2,634
At 30 June / 31 December	517	55,480	131	12,339

* Out of the total 517 BTC, 474 BTC have been pledged as collateral with Bybit Exchange against a loan facility (Note 16).

2) USD Tether (USDT)

	<i>As at 30 June 2025 USD'000 (unaudited)</i>	<i>As at 31 December 2024 USD'000 (audited)</i>
At 1 January	18,549	1,609
Additions during the year	90,696	86,251
Acquired on disposal of BTCs	22,006	217,552
Disposals	(130,179)	(286,863)
At 30 June / 31 December	1,072	18,549

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

8 Digital assets *(continued)*

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

	<i>Six-month period ended 30 June (unaudited)</i>	
	2025	2024
	USD'000	USD'000
(Loss)/gain digital assets – inventories	(166,062)	133,269
Gain digital assets – intangible assets	4,602	175
	(161,460)	133,444

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

	<i>Six-month period ended 30 June (unaudited)</i>	
	2025	2024
	USD'000	USD'000
MMX	(105,557)	74,925
UNCN	(27,750)	-
SOL	(19,334)	56,082
LVLV	(15,675)	-
ETH	255	-
FAH - Falcon	2,000	-
BTC	4,602	2,437
Others	(1)	-
	(161,460)	133,444

The total digital assets portfolio amounts to USD 295,436 thousand, which includes liquid digital assets valued at USD 5,663 thousand, net of the BTC kept as collateral with Bybit exchange. These are classified as intangible assets to comply with relevant IFRS. The Group actively utilizes 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.

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

9 Inventories *(continued)*

	<i>As at</i> 30 June 2025 USD'000 (unaudited)	<i>As at</i> 31 December 2024 USD'000 (audited)
Finished goods	1,316	2,724
Provision for obsolescence	(534)	(1,879)
	<u>782</u>	<u>845</u>

Movement of inventories is as follows:

	2025 USD'000 (unaudited)	2024 USD'000 (audited)
At 1 January	2,724	73,262
Purchases	133,832	138,528
Inventory consumed	(9,654)	(59,725)
Transferred from property and equipment (Note 5.4)	9,600	17,629
Transferred from CWIP (Note 5.3)	-	1,812
Transferred to CWIP (Note 5.6)	(117,524)	(58,863)
Transferred to property and equipment (Note 5.5)	(16,288)	(87,951)
Inventory written off	(1,374)	(21,968)
	<u>1,316</u>	<u>2,724</u>
Provision for obsolescence	(534)	(1,879)
At 30 June / 31 December	<u>782</u>	<u>845</u>

10 Trade receivables

	<i>As at</i> 30 June 2025 USD'000 (unaudited)	<i>As at</i> 31 December 2024 USD'000 (audited)
Gross - trade receivables	13,847	28,840
Provision for expected credit losses	(794)	(2,302)
Net trade receivables	<u>13,053</u>	<u>26,538</u>

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

Management has performed the expected credit loss assessment and recorded as provision of expected credit loss of USD 794 thousand in the condensed consolidated interim financial statements as at 30 June 2025.

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

11 Advances, deposits and other receivables

	<i>As at</i> 30 June 2025 USD'000 (unaudited)	<i>As at</i> 31 December 2024 USD'000 (audited)
Advance to suppliers	31,914	143,418
Deposits	14,040	15,190
VAT receivable	1,428	1,159
Prepaid expenses	3,591	5,171
Other receivables	395	395
Others	70	42
	51,438	165,375

Analysed as follows:

	<i>As at</i> 30 June 2025 USD'000 (unaudited)	<i>As at</i> 31 December 2024 USD'000 (audited)
Non-current	28,904	138,551
Current	22,534	26,824
	51,438	165,375

Movement in advances and deposits is as follows:

	2025 USD'000 Advances (unaudited)	2025 USD'000 Deposits
At 1 January – audited	143,418	15,190
Additions	38,469	1,882
Refunds	(1,500)	-
Transfers	3,000	(3,000)
Utilised*	(151,473)	(32)
At 30 June	31,914	14,040

*Mainly related to purchases of crypto mining machines, containers and dry coolers.

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

12 Cash and short-term deposits

	<i>As at</i> 30 June 2025 USD'000 (unaudited)	<i>As at</i> 31 December 2024 USD'000 (audited)
Cash at bank and on hand	8,768	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.

The total digital assets portfolio amounts to USD 295,436 thousand, which includes liquid digital assets valued at USD 5,663 thousand, net of the BTC kept as collateral with Bybit exchange. These are classified as intangible assets to comply with relevant IFRS. The Group actively utilizes 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> 30 June 2025 USD'000 (unaudited)	<i>As at</i> 31 December 2024 USD'000 (audited)
<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)	164,706	164,706
Share premium	345,882	345,882
	510,588	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 period	(584)	(47)	51,507	50,876
Realized 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	(146)	(83)	7,393	7,164
Realised gain transferred to retained earnings	-	-	(9,333)	(9,333)
At 30 June 2025 (unaudited)	10,650	(242)	5,947	16,355

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

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

(ii) Other reserves (continued)

(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.

(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 9,333 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 3,561 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. At 30 June 2025, the Market Maker held 52,043 shares at the average cost of AED 0.864 per share amounting to the value of USD 12 thousand of the Company's shares on behalf of the Group. The realized loss for the period ended 30 June 2025 is USD 25 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 and the remaining balance is classified as advances in the condensed consolidated interim statement of financial position.

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. 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.

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

14 Related party transactions and balances *(continued)*

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

(b) Due from related parties

		<i>As at 30 June 2025</i>	<i>As at 31 December 2024</i>
	Relationship	USD'000 (unaudited)	USD'000 (audited)
Phoenix Technology Solutions B.V.	Common directorship	330	223
Phoenix Pyramids Re Holding Limited	Common directorship	11	11
Phoenix Cleo Re Holding Limited	Common directorship	10	10
Phoenix Technology Consultants	Common directorship	5	5
Falcon Group Limited	Common directorship	1	1
		<u>357</u>	<u>250</u>

(c) Advances from related parties

		<i>As at 30 June 2025</i>	<i>As at 31 December 2024</i>
	Relationship	USD'000 (unaudited)	USD'000 (audited)
M2 Capital Limited	Affiliate of an associate	500	2,015
		<u>500</u>	<u>2,015</u>

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

d) Trade and other payables

		<i>As at 30 June 2025</i>	<i>As at 31 December 2024</i>
	Relationship	USD'000 (unaudited)	USD'000 (audited)
Munaf Ali	Director	-	182

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

14 Related party transactions and balances *(continued)*

i. Related party balances *(continued)*

e) *Loan from related parties:*

		<i>As at</i> 30 June 2025 USD'000 (unaudited)	<i>As at</i> 31 December 2024 USD'000 (audited)
	Relationship		
Munaf Ali	Director	-	9,318
Syedmohammed Alizadehfard	Shareholder	-	10,000
		<u>-</u>	<u>19,318</u>

During the prior year ended 31 December 2024, Phoenix Group PLC 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.

During 2025, the Company repaid USD 4,000 thousand of the loan to Mr. Syedmohammed 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 recognized directly within condensed consolidated interim statement of changes in equity for the period ended 30 June 2025. This demonstrates the continued confidence of its founding shareholders in the Company's long-term strategy and growth prospects.

ii. Related party transactions

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

		<i>Six-month period ended</i> 30 June (unaudited) 2025 USD'000	2024 USD'000
Revenue	Relationship		
M2 Capital Limited	Affiliate of an associate	1,846	21,137
Munaf Ali	Director	-	4,079
Syedmohammed Alizadehfard	Shareholder	-	1,983

		<i>Six-month period ended</i> 30 June (unaudited) 2025 USD'000	2024 USD'000
Expense	Relationship		
Interest on loan:			
M2 Capital Limited	Affiliate of an associate	355	639
WAS Four Investment – Sole Proprietorship L.L.C(“WAS”)	Affiliate of major shareholder	-	8,071

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

14 Related party transactions and balances *(continued)*

ii. Related party transactions *(continued)*

	<i>Six-month period ended 30 June (unaudited)</i>	
	2025 USD'000	2024 USD'000
Other transactions		
Investment in Citadel Technologies Group LLC	6,214	4,988
Advance to Citadel Technologies Group LLC	-	780
Repayment of capital contribution to shareholder	-	24,995
Repayment of loan to M2 Capital Ltd	15,000	-
Loan from M2 Capital Ltd	-	12,080
Repayment of loan from shareholder	4,000	-
Waiver of loan from shareholders	15,318	-
Payment of end of service benefits to key management personnel	393	-
Board members' fee	229	188

iii. Compensation of key management personnel

The remuneration of key management personnel are as follows:

	<i>Six-month period ended 30 June (unaudited)</i>	
	2025 USD'000	2024 USD'000
Salaries and other benefits	1,500	1,820
End of service benefits	45	45
	<u>1,545</u>	<u>1,865</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:

	<i>30 June 2025 USD'000 (unaudited)</i>	<i>31 December 2024 USD'000 (audited)</i>
At 1 January	1,312	859
Charge for the period /year	228	506
Paid during the period/year	(523)	(53)
At 30 June / 31 December	<u>1,017</u>	<u>1,312</u>

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

16 Interest-bearing loans

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

	<i>As at</i> 30 June 2025 USD'000 (unaudited)	<i>As at</i> 31 December 2024 USD'000 (audited)
Non-current	3,224	3,376
Current	24,907	15,180
	28,131	18,556

The movement in interest-bearing loans is as follows:

	2025 USD'000 (unaudited)	2024 USD'000 (audited)
At 1 January	18,556	3,722
Proceeds	45,273	27,080
Repayments	(35,698)	(12,246)
At 30 June / 31 December	28,131	18,556

Lender Name	Facility amount USD'000	Interest rate	Maturity	<i>As at</i> 30 June 2025 USD'000 (unaudited)	<i>As at</i> 31 December 2024 USD'000 (audited)
Bybit Exchange*	25,844	Variable 3% to 12.5%	Note 16.1	24,683	-
M2 Capital Limited Loan	15,000	15%	31-Mar-2025	-	15,000
FAB loan	4,084	EIBOR+3%	06-Oct-2036	3,448	3,556

*As of 30 June 2025, the Company has outstanding margin loans from Bybit exchange totalling USD 24,683 thousand. These were originally received in the form of digital assets and were converted to USD. These loans are collateralized by a pledge of 474 Bitcoin (BTC). 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 Company, subject to the security interest held by the exchange until the loans are settled. The value of the pledged BTC and SOL 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 Company actively monitors the value of its collateral to ensure ongoing compliance with margin requirements and to manage its exposure to potential market fluctuations.

16.1 Under the terms of the margin loan agreements, the Company 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 Company and transferred back to its designated wallet.

Phoenix Group PLC

Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

17 Other liabilities

	<i>As at</i> 30 June 2025 USD'000 (unaudited)	<i>As at</i> 31 December 2024 USD'000 (audited)
Provision for expenses	9,820	14,189
Advances received from customers (i)	1,911	7,861
Deposit received	2,105	2,802
Provision for leave salary	828	1,230
Other payables	1,961	1,285
	16,625	27,367

(i) This includes amount of USD 500 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 9,691 thousand (2024 (audited): USD 4,177 thousand).

19 Contingencies

At 30 June 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>Six-month period ended</i>	
	30 June 2025 USD'000 (unaudited)	30 June 2024 USD'000 (unaudited)	30 June 2025 USD'000 (unaudited)	30 June 2024 USD'000 (unaudited)
<i>Revenue from contracts with customers:</i>				
• Sales of ASICs, wallets, and equipment	3,640	5,014	10,438	32,684
• Hosting revenue	4,429	17,572	8,217	37,088
• Service income	-	104	-	250
	8,069	22,690	18,655	70,022
Self - mining revenue	21,063	28,517	41,737	50,117
	29,132	51,207	60,392	120,139

(b) Geographical markets

Outside UAE	29,122	51,154	60,345	119,933
Within UAE	10	53	47	206
	29,132	51,207	60,392	120,139

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

20 Revenue *(continued)*

(c) Timing of revenue recognition

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	USD'000	USD'000	USD'000	USD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
At a point in time	3,640	5,014	10,438	32,684
Over the time	25,492	46,193	49,954	87,455
	29,132	51,207	60,392	120,139

21 Other operating income

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	USD'000	USD'000	USD'000	USD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Staking income*	411	-	1,059	-
Miscellaneous income	89	169	467	238
Commission income	-	1	-	1
Compensation received	-	103	-	103
	500	273	1,526	342

*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 Direct costs

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	USD'000	USD'000	USD'000	USD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Opening inventory	31,017	102,237	2,724	73,262
Add: purchases and other direct costs	98,284	58,686	133,832	103,829
Add: transfer from property and equipment	3,279	-	9,600	-
Less: transfer to property and equipment	(10,439)	-	(16,288)	-
Less: transfer to CWIP	(117,525)	-	(117,524)	-
Less: inventory written off	-	-	(1,374)	-
Rebate income	-	(1,458)	-	(7,357)
Less: closing inventory	(1,316)	(158,026)	(1,316)	(158,026)
Cost of inventory consumed	3,300	1,439	9,654	11,708
Hosting electricity costs	3,227	14,823	7,341	33,205
Self-mining electricity costs*	14,487	17,380	28,967	28,460
	21,014	33,642	45,962	73,373

*Represents electricity expenses incurred in operation of mining machines.

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

23 Staff costs

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	USD'000	USD'000	USD'000	USD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Staff costs	3,166	3,213	6,584	5,858
Management fees	623	1,038	1,545	1,865
	3,789	4,251	8,129	7,723

24 Other operating expenses

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	USD'000	USD'000	USD'000	USD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Site expenses	1,568	644	2,977	1,926
Legal and professional fees	832	158	1,882	988
Office and other expenses	398	344	779	442
Commission	357	-	357	-
Insurance	258	95	559	159
Advertisements	257	320	841	418
Short-term lease	211	180	412	234
Bank charges	175	43	201	125
Auditor's remuneration	147	361	302	382
Travelling and entertainment	114	78	358	225
Utility and communication expenses	61	27	111	45
Repair and maintenance	36	15	52	19
Warehouse expenses	30	15	44	39
Penalties and compensation	22	2,489	184	2,490
Other expenses	8	-	52	-
Business promotion	-	204	-	336
Recruitment expenses	-	259	40	309
	4,474	5,232	9,151	8,137

25 Provisions, impairments and write-down, net

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	USD'000	USD'000	USD'000	USD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Inventory written off	-	2,604	29	2,629
Asset written off	-	-	24	-
Reversal / (provision) of doubtful debts	(3)	1,323	(831)	1,323
Provision for obsolescence of inventory	-	-	-	18,839
	(3)	3,927	(778)	22,791

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

26 Depreciation and amortisation

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	USD'000	USD'000	USD'000	USD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Depreciation on property and equipment	9,453	785	17,412	982
Amortisation on intangible assets	115	11	229	14
Depreciation on right-of-use assets	58	58	115	116
	9,626	854	17,756	1,112

27 (Loss) / earnings per share

The basic and diluted earnings per share is calculated by dividing the (loss) / profit attributable to shareholders of the company by the weighted average number of shares in issue.

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	USD'000	USD'000	USD'000	USD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
(Loss) / profit for the period	(29,170)	56,134	(182,768)	122,285
Weighted average number of ordinary shares in issue	6,048,507,684	6,042,813,267	6,048,416,592	6,045,801,795
Basic and diluted (loss) / earnings per share	(0.005)	0.009	(0.03)	0.020

28 Finance costs

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	USD'000	USD'000	USD'000	USD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest on interest-bearing loans	222	77	333	154
Interest expense on related party loan*	-	450	355	8,710
Interest on leases	5	9	11	18
	227	536	699	8,882

*The interest expense includes amount of USD 355 thousand (2024 (unaudited): USD 8,710 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 six-month period ended 30 June 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:

Geography	<i>As at</i> 30 June 2025 USD'000 (unaudited)	<i>As at</i> 31 December 2024 USD'000 (audited)
United States of America	200,257	168,319
Ethiopia	85,262	-
Sultanate of Oman	35,644	39,151
United Arab Emirates	21,755	22,148
Canada	21,494	22,572
	364,412	196,427

Sales to two major customers of the Group are around 66.24% of the Group's total sales during the six-month period ended 30 June 2025 (30 June 2024: 45.82%).

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:

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	USD'000	USD'000	USD'000	USD'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current income tax expense	533	5,507	533	12,049
Current income tax expense on other comprehensive income	-	-	-	-
Deferred tax expense / (income)	1,174	-	380	-
	1,707	5,507	913	12,049

30.1 Reconciliation between tax expense and accounting profit

	30 June 2025 USD'000 (unaudited)	31 December 2024 USD'000 (audited)
Accounting (loss) / profit before taxation	(181,855)	166,992
Prima facie tax expense at 9%	(16,367)	15,029
Add: income/(loss) from foreign subsidiaries not subject to tax	16,865	(16,780)
Add: exempt profit/non-deductible (loss) from associates	424	1,371
Less: effect of the 0% tax bracket (up to 375,000 AED)	(9)	-
Tax expense for the year	913	-
Less: used losses carried forward from the previous period at 9%	(380)	-
Current income tax expense	533	-

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Notes to the condensed consolidated interim financial statements *(continued)* For the six-month period ended 30 June 2025

30 Income tax *(continued)*

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

	2025 USD'000 (unaudited)	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) reported in the condensed consolidated interim statement of profit or loss	<u>380</u>	<u>(380)</u>

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 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	(81)	-	-	-	(136)	(217)
Non-cash movement	12,809 ¹	(89)	-	-	17	12,737
At 30 June 2024 (unaudited)	12,893	3,468	-	272	238	16,871
At 1 January 2025	15,180	3,376	19,318	390	-	38,264
Cash flows	(35,698)	-	(4,000)	-	-	(39,698)
Additions	45,273	-	-	-	-	45,273
Non-cash movement	152	(152)	(15,318) ²	11	-	(15,307)
At 30 June 2025 (unaudited)	24,907	3,224	-	401	-	28,532

¹ This includes non-cash addition of loan received in the form of BTC amounting to USD 12,081 thousand and interest accumulated of USD 639 thousand.

² 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 six-month period ended 30 June 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
Condensed consolidated interim statement of financial position:			
Inventories	56,608	(55,763)	845
Property and equipment	196,427	55,763	252,190

30 June 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 six-month period ended 30 June 2024.

33 Events after the reporting date

Subsequent to the period-end, an amount of USD 11,405 thousand was repaid towards the interest-bearing loan from Bybit exchange, reducing the outstanding balance from USD 24,683 thousand to USD 13,278 thousand.