



PHOENIX



An IHC Portfolio Company

Q3 2026

MD&A

Management Discussion and Analysis

Phoenix Group PLC, third quarter 2026

MD&A – Q3'26 Overview

Revenue fell 9% QoQ to \$17.3M; cost to mine BTC fell 17% YoY and project Lyon advanced

FINANCIAL HIGHLIGHTS, Q3'26

GROSS REVENUE \$17.3M (9%) QoQ, (46%) YoY	SELF-MINING GROSS MARGIN 44% vs 43% in Q2'26	EBITDA (EXC. CITADEL) \$(1.36)M vs \$(0.27)M in Q2'26
COMPREHENSIVE LOSS \$(43.2)M vs \$(9.98)M in Q2'26	TOTAL ASSETS \$537.3M (9%) QoQ, (28%) YoY	COST PER BTC \$46,154 (0.9%) QoQ, (16.6%) YoY

MANAGEMENT COMMENTARY

Phoenix generated \$17.3M of revenue in a weaker Bitcoin mining market. Fleet upgrades lifted self-mining margin to 44% and cut mining cost per BTC to \$46,154. The \$43.2M comprehensive loss mainly reflects ~\$14.4M of net losses on digital and financial assets, \$24.1M in depreciation and impairment and \$4.6M share of loss from Citadel.

Negative values shown in parentheses. Source: Phoenix Group PLC internal data

KEY DEVELOPMENTS

- **Project Lyon:** reached RIBA Stage 2 (Concept Design); consortium led by APL with SPIE, Demathieu Bard and Rehlko
- **Onmine, Texas:** 38 MW energized with S21 liquid-cooled miners, adding capacity at low power cost
- **Production:** ~322 BTC mined, of which 222 self-mined, at a hash rate of 10.6 EH/s
- **Efficiency: self-mining fleet improved to 18.5 J/TH** from 18.8 J/TH in Q2'26, 42% better than Q3'24
- **Power:** ~235 MW consumed at an average cost of \$0.0496/kWh

MD&A – Results of Operations

Revenue fell 9% QoQ to \$17.3M, but self-mining margin rose to 44% and cost to mine BTC fell

KEY RESULTS, Q3'26 VS PRIOR PERIODS

	Q3'25	Q2'26	Q3'26	QoQ	YoY
Gross revenue	\$29.1M	\$19.0M	\$17.3M	(9%)	(46%)
Self-mining gross margin	n/a	43%	44%	+1 pt	n/a
EBITDA (exc. Citadel)	\$0.81M	\$(0.27)M	\$(1.36)M	n.m.	n.m.
Comprehensive income (loss)	\$(43.4)M	\$(9.98)M	\$(43.2)M	n.m.	0%
Cost per BTC	\$55,324	\$46,587	\$46,154	(0.9%)	(16.6%)
Mining efficiency	n/a	18.8 J/TH	18.5 J/TH	(1.6%)	n/a

REVENUE

Gross revenue fell 9% QoQ to \$17.3M (Q2'26: \$19.0M) and 46% YoY. Self-mining generated \$13.3M and hosting \$4.1M; the decline reflects challenging Bitcoin mining market conditions.

MARGINS AND COSTS

Blended gross margin was 39%. Self-mining margin rose to 44% from 43% while hosting earned 21%. Mining cost per BTC fell 0.9% QoQ and 16.6% YoY to \$46,154 as efficiency improved to 18.5 J/TH.

PROFITABILITY

EBITDA excluding Citadel was a \$1.36M loss, against a \$0.27M loss in Q2'26. The \$43.2M comprehensive loss mainly reflects ~\$14.4M of net losses on digital and financial assets, \$24.1M in depreciation and impairment and \$4.6M share of loss from Citadel.

Negative values in parentheses; n.m. = not meaningful; n/a = not reported. Source: Phoenix Group PLC internal data

MD&A – Financial Position

Total assets fell 9% QoQ to \$537.3M on lower digital-asset valuations, depreciation and impairment

BALANCE SHEET SUMMARY

	Q3'25	Q2'26	Q3'26	QoQ	YoY
Total assets	\$750.1M	\$592.6M	\$537.3M	(9%)	(28%)
Digital assets	\$328.8M	\$197.5M	\$183.1M	(7%)	(44%)
Total equity	\$731.8M	\$541.9M	\$499.0M	(8%)	(32%)
Digital assets / total assets	43.8%	33.3%	34.1%	+0.8 pt	(9.7 pt)
Equity / total assets	97.6%	91.4%	92.9%	+1.5 pt	(4.7 pt)

- **Assets:** total assets fell \$55.3M (9%) QoQ to \$537.3M and 28% YoY, mainly from lower valuations of digital and financial assets
- **Digital assets:** holdings fell 7% QoQ to \$183.1M and now make up 34% of total assets, against 44% a year earlier
- **Equity:** total equity fell 8% QoQ to \$499.0M; liabilities are only 7% of total assets, so the balance sheet remains largely equity-funded

DIGITAL & FINANCIAL ASSETS, Q3'26

~\$(14.4)M

net loss on the portfolio in the quarter

Main movements	Q3'26
SOL	+\$26.7M
BTC	+\$11.9M
FAH	\$(34.0)M
Bitzero	\$(17.4)M
Others	\$(1.6)M

Gains on SOL and BTC were more than offset by losses on FAH and Bitzero.

Negative values in parentheses; ratios derived from reported balances. Source: Phoenix Group PLC internal data

MD&A – Operations and Outlook

Mining efficiency kept improving while Lyon, the first AI site, moved into concept design

OPERATING METRICS, Q3'26

Metric	Q3'26
Hash rate	10.6 EH/s
Share of global hash rate	1.1%
Power consumption	~235 MW
Power cost	\$0.0496/kWh
BTC mined (self-mined)	~322 (222)
Self-mining efficiency	18.5 J/TH
Onmine capacity energized	38 MW

COMMENTARY

A hash rate of 10.6 EH/s gives Phoenix 1.1% of the global network. Energizing 38 MW at Onmine, Texas with S21 miners helped lift self-mining efficiency to 18.5 J/TH, at a power cost of \$0.0496/kWh.

AI INFRASTRUCTURE ROADMAP

- Q3'26**
Lyon reaches RIBA Stage 2
 Concept design under way with APL, SPIE, Demathieu Bard and Rehlko
- April 2028**
Lyon go-live (target)
 18 MW gross Phase 1 capacity; land, grid connection and permits secured
- Next few years**
130+ MW of colocation
 Lyon is the template for the roll-out
- Longer term**
~1 GW Pipeline and long-term ambition
 Powered-site opportunities across Europe, the US and the GCC that Phoenix aims to develop over a longer horizon

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