

Bitdeer Technologies

Q2 2025 Earnings Call

Yujia Zhai, Investor Relations Advisor

Thank you, operator and good morning, everyone. Welcome to Bitdeer's second quarter 2025 earnings conference call. Joining me today are Jihan Wu, Chairman and CEO; Matt Kong, Chief Business Officer; Haris Basit, Chief Strategy Officer; and Jeff Laberge, VP of Capital Markets and Strategy. Haris will begin today by providing a high-level overview of Bitdeer's second quarter 2025 results and then cover the Company's strategy and a detailed business update. After that, Jeff will cover Bitdeer's second quarter financial results in more detail and then we will open the call for questions. To accompany today's earnings call, we have provided a supplemental investor presentation. This presentation can be found on Bitdeer's investor relations website under webcasts and presentations.

Before management begins their formal remarks, we would like to remind everyone that during today's call, we may make certain forward-looking statements. These statements are based on management's current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially. For a more complete discussion on forward-looking statements and the risks and uncertainties related to Bitdeer's business, please refer to its filings with the SEC.

Further, in addition to discussing results that are calculated in accordance with international financial reporting standards or IFRS, we will also make references to certain non-IFRS financial measures such as adjusted EBITDA and adjusted Profit / Loss. For more detailed information on our non-IFRS financial measures, please refer to our earnings release that was published earlier today, which can be found on Bitdeer's Investor Relations website. Thank you - I will now turn the call over to Haris. Haris?

Haris Basit, Chief Strategy Officer

Thank you Yujia and good day everyone. Thanks for joining our second quarter 2025 earnings call. Since our last call, we've made significant progress across all of our strategic priorities, and I am excited to walk you through those updates today. I will begin with a brief overview of our Q2 financial results, then highlight what we're focused on for the remainder of the year and share a glimpse of our outlook beyond 2025.

Starting on slide 3. In Q2, total revenue was \$155.6 million, up 122% sequentially from Q1 and up 57% year-over-year. Gross profit was \$12.8 million and adjusted EBITDA was \$17.3 million, up materially from Q1. This significant improvement in our results is from strong execution in our self-mining business and commercial sales of our SEALMINER ASICs. Mass production of our SEALMINER ASICs enabled us to increase our average operating hashrate by 46% to 14.2 EH/s during the quarter from 9.7 EH/s in Q1. In addition, we sold and shipped 5.3 EH/s of our SEALMINER A2 mining rig to external customers, recognizing \$69.5 million in revenue in Q2. As of the end of July, we further grew our self-mining hashrate to 22.3 EH/s, representing a 162% increase from the beginning of the year. We also sold and recognized revenue on an additional 0.6 EH/s of SEALMINER A2s in July.

Looking back on the first half of the year, we believe Q1 marked both the bottom and a key inflection point. We are now turning the corner with strong momentum, powered by our vertically integrated and technology-driven growth strategy. Our decision to invest aggressively in chip design, supply chain, and manufacturing built a foundation that is now enabling us to rapidly scale our own self-mining operations while also positioning us to capture a meaningful share of the Bitcoin mining ASIC market. By combining our proprietary technology, in-house hardware manufacturing, and expansive global power portfolio, we've created a highly advantaged and defensible platform for long-term growth.

Looking forward, our SEALMINER ASICs continue to roll off the production line and we anticipate continued rapid growth in our self-mining hashrate throughout the remainder of the year.

We are on track to achieve our previous target of 40 EH/s of self-mining hashrate by the end of October. Furthermore, wafer supply allocation at our foundry has improved and we expect to exceed this target by year end. This will put us on par with the largest publicly traded bitcoin miners in the world. As we continue to scale, our fleetwide energy efficiency will also improve, delivering better mining margins and operating leverage. Upon exiting this year, we anticipate record results on a run-rate basis, setting a strong foundation for 2026 and beyond.

Last year, when we embarked on our aggressive ASICs roadmap, we understood that building chips alone wasn't sufficient. To win in this market, we had to achieve industry leadership in performance and energy efficiency. Today, we are proud that our dedicated R&D team has executed this plan with precision, delivering three of the four chips on schedule and on spec.

With our latest SEALMINER A3, we now possess one of the most competitive mining rigs in the market, built on leading process nodes and optimized for high-efficiency deployment at scale. All machine-level validation metrics have met or exceeded our internal benchmarks, and we are preparing to initiate mass production. The first batch of SEALMINER A3 mining machines are expected to be available for shipment in October. We expect SEALMINER A3 to contribute to our revenue through both self-mining and external sales in 2026.

Looking ahead, our R&D efforts have now pivoted to the SEAL04 chip. We are taking a dual-track approach to SEAL04 with two completely independent designs to ensure success. The first SEAL04 chip, using a more traditional circuit architecture, has already been taped out and we expect initial sample wafers to come back in Q3 2025.

Our second SEAL04 chip will be a completely new, next-generation architecture targeting breakthrough efficiency of approximately 5 J/TH at the chip level. This chip is a full redesign that uses new digital circuit architectures that enable break-through improvements in energy efficiency. We believe the digital chip architecture utilized by our SEAL04 chip will set a new standard for Bitcoin mining and also have application to a broader class of high-performance, energy intensive compute applications. We have begun the process of filing patents on our technology. Furthermore, in July, we made major progress with the successful development of customized silicon design software necessary to fully exploit this new circuit architecture. We have also expanded the senior engineering and software team in the U.S. to support our SEAL04 chip development as well as added senior roles in legal and IP licensing.

We are extremely excited about the SEAL04. Together with our SEALMINER A3 mining rig, we believe these two chips will firmly position Bitdeer as a leading supplier with the most energy-efficient mining rigs in the industry—significantly enhancing our competitive position and unlocking substantial value for both our customers and shareholders.

Next, I'd like to provide a quick update on our energy infrastructure that's highlighted on slides 8 and 9 of our supplemental investor presentation.

In Q2, we continued our rapid buildout of our global power and datacenter infrastructure. As of July 2025, we energized 361 MW of datacenter capacity for self-mining, of which 126 MW was at our Tydal, Norway site and 235 MW in Jigmeling, Bhutan, bringing our total available electrical capacity to approximately 1.3 GW. We expect the remaining 49 MW in Tydal, and 265 MW in Jigmeling to be energized in Q3, which will bring our total available power capacity to nearly 1.6 GW.

In May, we achieved a key milestone by signing the Letter of Agreement with AEP Ohio for the second phase of power at the Clarington site. This LoA advances the final stages of the contracting process for the full 570 MW of capacity. Critically, this document was executed

before the Public Utilities Commission of Ohio issued a ruling to classify data centers under an industry-specific billing structure. This new structure would have imposed substantially higher collateral requirements and minimum demand charges. Locking in our position ahead of this monumental regulatory shift allows us to proceed with plans for the full build out of this strategic data center with significantly lower cost structure.

With regard to our HPC/AI initiative in Clarington, Ohio, we have entered into advanced negotiations with a development partner that has significant expertise and customer relationships. We are optimistic that we will be able to share more details in the coming quarter.

Lastly, on slide 10 of our supplemental investor presentation, we would like to reemphasize our guidance for our self-mining hashrate. Given the steady rollout of our SEALMINER A2 mining rig, we remain on track to reach 40 EH/s by October. Furthermore, as I mentioned earlier, wafer supply has improved for both our SEAL02 and SEAL03 chips, leading us to believe we will surpass this target by year end. Given the significant amount of power capacity we have coming online, our near-term plan is to prioritize our current ASIC production towards self-mining.

In summary, we are pleased with our team's execution across all our strategic priorities. We have successfully met our initial targets for our aggressive ASIC roadmap; our self-mining infrastructure and deployment plan; and our entry into the massive ASIC market opportunity. We have also made significant strides in our HPC/AI strategy. As we move into the second half of 2025, we expect these efforts to be reflected in our financial results, and we look forward to sharing updates on our progress.

I'll now turn it over to Jeff Laberge, our VP of Capital Markets and Strategy to go over our detailed financial results for the quarter.

Jeff LaBerge, VP of Capital Markets and Strategy

Thank you Haris, before I go over Bitdeer's second quarter financial results, I'd like to remind everyone that all figures I refer to today are in U.S. dollars.

Q2 consolidated revenue was \$155.6 million, up from \$99.2 million in Q2 2024 and \$70.1 million in Q1 2025, or up 56.8% year-over-year and 121.9% sequentially.

Self-mining revenue was \$59.3 million vs. \$41.6 million in Q2 2024 and \$37.2 million in Q1 2025, or up 42.5% year-over-year and up 59.4% sequentially. These results were primarily due to a 103.3% year-over-year and 45.5% sequential increase in self-mining hashrate as well as higher Bitcoin prices. These increases were partially offset by the April 2024 halving event and higher mining difficulty.

SEALMINER sales revenue was \$69.5 million compared to zero dollars in Q2 2024 and \$4.1 million in Q1 2025.

Cloud Hash Rate revenue was zero dollars vs. \$12.2 million in Q2 2024 and \$0.1 million in Q1 2025. This decline was due to the expiration of long-term Cloud Hash Rate contracts and the subsequent reallocation of this hashrate to our self-mining operations.

General Hosting revenue was \$9.3 million vs \$20.6 million in Q2 2024 and \$9.6 million in Q1 2025. Membership Hosting revenue was \$14.6 million vs. \$22.1 million in Q2 2024 and \$16.3 million in Q1 2025.

The year-over-year decrease in hosting revenue was mainly caused by two factors: first, we converted 100 MW of hosting capacity at our Texas facility to self-mining, which has been equipped with SEALMINER hydro-cooled mining rigs. Second, some hosting customers removed less efficient mining rigs after the halving event in April 2024. Some of this extra capacity is currently being replenished by new hosted mining rigs.

Total gross profit for the quarter was positive \$12.8 million vs. \$24.4 million in Q2 2024 and negative \$3.2 million in Q1 2025. Gross margin was 8.2% vs. 24.6% in Q2 2024 and negative 4.6% in Q1 2025. The year-over-year decrease in our gross margin was primarily driven by the April 2024 halving event's impact on self-mining, higher mining difficulty and lower hosting and Cloud Hash Rate revenues. Sequentially, our gross margin improved due to the increase in our self-mining hashrate, improvements in our fleet-efficiency and commercialization of our SEALMINER ASICs. Going forward, we expect gross margin to improve over the coming quarters as our hashrate ramps and overall fleet efficiency improves.

Total operating expenses for the quarter were \$42.3 million vs. \$26.1 million in Q2 2024 and \$75.8 million in Q1 2025. The year-over-year increase was primarily driven by R&D costs for our SEALMINER roadmap and higher G&A. The sequential decrease was primarily driven by lower R&D costs due to the absence of the tapeout costs for SEAL03 that occurred in Q1 2025.

Other operating income was \$3.7 million primarily due to the reverse of non-cash impairment of Bitcoin. As a reminder, under IFRS, Bitcoin is classified as an intangible asset and is measured at cost less any accumulated impairment losses, with no subsequent upward revaluation permitted.

Other net gain for the quarter was negative \$108.5 million vs. negative \$15.5 million in Q2 2024 and positive \$503.1 million in Q1 2025. The net loss was due to the non-cash derivative loss on the convertible senior notes issued in August 2024, November 2024 and June 2025, which I will discuss in more detail in the liability section.

IFRS net income was negative \$147.7 million vs. negative \$17.7 million in Q2 2024 and positive \$409.5 million in Q1 2025.

Adjusted profit was negative \$24.4 million vs. positive \$3.2 million in Q2 2024 and negative \$89.8 million in Q1 2025.

Adjusted EBITDA was positive \$17.3 million vs. positive \$23.5 million in Q2 2024 and negative \$56.1 million in Q1 2025.

This quarter's higher year-over-year and sequential topline and non-GAAP bottom line performance was mainly driven by higher self-mining hashrate, SEALMINER sales and higher Bitcoin prices. These were partially offset by higher global network hashrate, lower hosting and cloud mining revenue, higher R&D costs and G&A expenses as previously described.

Net cash used for operating activities was \$334.9 million primarily driven by approximately \$230 million of payments for SEALMINER wafers and related production costs and \$27 million for the initial tapeout of SEAL04. The remainder was driven by electricity costs from the mining business and general corporate overhead. Please note, a large portion of the \$27 million SEAL04 tapeout costs is expected to be expensed in Q3.

Net cash used for investing activities was \$12.6 million which was driven by \$106.5 million of capital expenditures, of which \$76 million was related to datacenter infrastructure and related construction. Proceeds from disposal of cryptocurrencies from our primary business was \$100.1 million.

Net cash generated from financing activities for the quarter was \$431.5 million, which resulted primarily from the \$364.3 million of net proceeds from the convertible senior notes issued in June 2025, \$180.0 million of borrowings from a related party and \$50.0 million of proceeds from the issuance of shares in connection with the exercise of the Tether warrants. This was partially offset by \$129.6 million used for the purchase of a zero-strike call option in connection with the convertible senior notes issued in June 2025 and payment of \$33.8 million in connection with the extinguishment of a portion of the convertible senior notes issued in August 2024. There were no shares issued under our ATM during the quarter.

Moving on to our 2025 Bitcoin mining infrastructure spend. We continue to expect capex for the continued build out of our global power and datacenter infrastructure to be in the range of \$260 million to \$290 million for calendar year 2025. This range includes reported infrastructure capex in Q1 and Q2 of approximately \$118 million. The remaining projected capex is expected to fund the completion or near completion of our datacenters in Tydal, Norway, Jigmeling, Bhutan, Massillon, Ohio and Ethiopia as well as the partial completion of the 101 MW gas fired power plant in Alberta, Canada. Please note that this guidance only factors in power and datacenter spend for Bitcoin mining and does not include capex for SEALMINERs.

In terms of our balance sheet, we ended the quarter in a strong financial position, with \$299.8 million in cash and cash equivalents, \$169.3 million in cryptocurrencies and \$533.1 million in borrowings excluding derivative liabilities. Please note, the \$169.3 million in cryptocurrencies is accounted for according to IFRS rules and is currently below its market value.

Derivative liabilities were \$438.0 million, which relate to the August 2024, November 2024 and June 2025 convertible notes, representing a \$181.2 million increase compared to the last quarter. This is a non-cash fair value adjustment driven by the increase in our stock price and does not impact our liquidity or operations. Under IFRS, certain derivative instruments, such as warrants and convertible debt, are required to be revalued at fair market value each reporting period. As our stock price increases, the fair value of these instruments rises, resulting in a higher reported liability and vice versa. The recorded liability will ultimately be netted at settlement, either upon conversion to equity or expiration, and does not represent an actual cash outflow.

In June, we successfully closed a \$375.0 million Convertible Senior Note through an oversubscribed private placement offering. The note bears interest at 4.875% and is due in 2031. Finally, regarding our outstanding ATM facility, we have not sold any additional shares in Q2 2025.



Thank you everyone - that concludes the prepared remarks section of our earnings call, operator, please open the call for questions.