

## Bitdeer Technologies

Q1 2025 Earnings Call

**Yujia Zhai, Investor Relations Advisor**

Thank you, operator and good morning, everyone. Welcome to Bitdeer's first 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, Head of Capital Markets and Strategic Initiatives. Haris will begin today by providing a high-level overview of Bitdeer's first quarter 2025 results and then cover the Company's strategy and a detailed business update. After that, Jeff will cover Bitdeer's first 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 first quarter 2025 earnings call. I am excited to share the many developments happening at Bitdeer and walk you through the progress we've made since last quarter. Before diving in, I'd like to briefly highlight our Q1 financial results for which Jeff will provide more details in a few minutes.

**Starting on slide 3.** For Q1, total revenue was \$70.1 million dollars, gross profit was negative \$3.2 million dollars, and adjusted EBITDA was negative \$56.1 million dollars. The lower performance compared to Q1 last year was primarily driven by the impact of the 2024 halving, higher global network hashrate, lower hosting and cloud mining revenue and higher R&D costs related to the one-off development and tape out costs of our SEAL03 chip. These negative impacts were partially offset by higher average self-mining hashrate, which increased to 11.5 EH/s at the end of the quarter as well as higher Bitcoin prices.

Over the past year, we made the strategic decision to prioritize the development of our own ASIC technology. While this temporarily slowed our hashrate growth, it positioned us with long-term advantages that fundamentally differentiate our business. Producing our own machines enables us to scale at a significant cost advantage and maintain greater control over our growth trajectory.

Now that our SEALMINERs are quickly coming off the production line, we expect a rapid acceleration in self-mining hashrate in the quarters ahead. In tandem, we are bringing online nearly 500 MW of new self-mining power capacity by mid year, increasing our total global capacity to nearly 1.6 GW. More than half of this power is located in Norway and Bhutan. Our early focus on geographic diversification is now yielding results. Accordingly, in the near term, we are prioritizing deployments of our A2 mining machines to Bhutan and Norway, which we expect will drive our self-mining hashrate to 40 EH/s by October 2025.

On the commercialization front, we are encouraged by the recent trade negotiations, which have led to a de-escalation in tariffs. Looking ahead, we expect U.S. tariff policies to encourage more Bitcoin mining-related manufacturing in the U.S. and anticipate a continued shift towards more balanced trade measures. We plan to migrate a portion of our manufacturing to the U.S. in the second half of 2025 and will share more details about this in future calls. Over the longer term, we expect demand for Bitcoin mining rigs to continue rising. Having the most efficient chip will be essential to capture this multi-billion dollar TAM.

**Moving now to our ASIC roadmap, which is highlighted on slide 5 of our supplemental presentation.**

Starting with SEALMINER A1. At the end of Q1, we completed the mass production of 3.7 EH/s of our SEALMINER A1 mining rigs and finished installation and energization as of the end of April 2025.

For SEALMINER A2, mass production of the previously announced 35 EH/s remains on track to be completed in October 2025. As of the end of April, we completed manufacturing of 3.3 EH/s of SEALMINER A2 mining rigs and 1.2 EH/s were being assembled. Of the 3.3 EH/s of completed miners, 1.3 EH/s have been sold and shipped to external customers and 0.5 EH/s have been deployed and energized at Bitdeer's datacenters in Texas and Tydal, Norway, with the remaining in-transit or being prepared for shipment. Additionally, at the end of Q1, we launched a Pro series of our SEALMINER A2 mining rigs, including both an air-cooled and hydro-cooled model, both with an impressive power efficiency of 14.9 J/TH.

For SEALMINER A3, we completed rigorous testing of several dozen of our prototype models in April and energy efficiency continues to meet our expectations. We have begun machine level testing and results are expected to be finalized by late Q2. We anticipate mass production for our SEALMINER A3 to commence Q3 of this year.

Looking ahead to the second half of this year, our R&D efforts are now focused on our SEALMINER A4 project, for which we are targeting an unprecedented efficiency of approximately 5 J/TH at the chip level. This chip has been completely redesigned from the ground up, leveraging a new digital architecture and technology that significantly improves energy efficiency. We believe this new chip design will revolutionize the way Bitcoin mining ASICs are made in the future. We have begun the process of filing patents on this technology and tape-out is on track for Q4 2025.

We believe SEALMINER A4, along with our 3<sup>rd</sup> generation chip, will position Bitdeer as the leading supplier of the world's most energy efficient mining rigs—significantly strengthening our market position and unlocking substantial value for our customers and shareholders.

**On slide 6 of our supplemental investor presentation, we reiterate our prior guidance for our self-mining hashrate to reach approximately 40 EH/s by Q4 of this year.** 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 and utilize the bulk of our new power capacity in Tydal, Norway, and Jigmeling, Bhutan. Please note that this forecast does not include anticipated additional wafer allocations for SEAL02 or for SEAL03. Depending on the exact manufacturing schedule and actual wafer allocations, our self-mining hashrate could be well above the 40 EH/s guidance by Q4 2025.

**Next, I'd like to provide a quick update on our energy infrastructure and pipeline that's highlighted on slides 7 and 8 of our supplemental investor presentation.**

In early April, Bitdeer signed an SPA and a turnkey agreement for the acquisition and construction of a 50 MW mining datacenter in Ethiopia. The transaction includes a local company with a mining permit, a 33kV substation interconnection, and a 4-year Power Purchase Agreement (PPA) with Ethiopian Electric Power Company. We are working closely with an EPC contractor that specializes in Bitcoin mining and are targeting energization by Q4 2025. This

project reflects our continued commitment to identifying cost-efficient sites that allow us to keep older-generation machines online to maximize the ROI of our existing fleet.

Additionally, in April, we energized 202 MW of datacenter capacity for self-mining, of which 70 MW was at our Tydal, Norway site and 132 MW in Jigmeling, Bhutan. We expect the remaining 105 MWs in Tydal, and 368 MW in Jigmeling to be energized by the end of June, bringing our total available power capacity to nearly 1.6 GW. By the end of 2025, we are also on track to energize an additional 221 MW in Massillon, Ohio, and including our Ethiopia site, our total available power capacity will reach over 1.8 GW.

Finally, in April, due to advancing discussions with development partners and end users for HPC/AI, we made the strategic decision to pause Bitcoin mining related construction at our 570 MW site in Clarington, Ohio. However, we maintain full optionality to reassess and resume the build-out for Bitcoin mining at a later date.

In terms of our HPC/AI initiative, in March, we formalized an engagement with Northland Capital Markets to act as financial advisor for our HPC/AI data center development strategy. Northland has been assisting us in our negotiations with potential development partners and providing guidance regarding capital providers. As of May, we have advanced discussions with development partners and potential end users for selected large scale sites in the U.S., including our Clarington, Ohio site for HPC and AI.

In summary, we have many exciting milestones on the horizon. We expect 2025 to be a pivotal year as our efforts start to bear fruit, and we look forward to sharing updates on our progress.

**I'll now turn it over to Jeff Laberge, our Head of Capital Markets and Strategic Initiatives to go over our financial results for the quarter.**

**Jeff LaBerge, Head of Capital Markets and Strategic Initiatives**

Thank you Haris, before I go over Bitdeer's first quarter financial results, I'd like to remind everyone that all figures I refer to today are in U.S. dollars and that all comparisons are to Q1 of last year.

Q1 consolidated revenue was \$70.1 million vs. \$119.5 million.

Self-mining revenue was \$37.2 million, down 23.1%, primarily due to the April 2024 halving event and an increase in global network hashrate, partially offset by higher self-mining hashrate and higher Bitcoin prices.

Cloud Hash Rate revenue was \$0.1 million vs. \$18.1 million. 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 \$9.6 million vs. \$29.0 million. Membership Hosting revenue was \$16.3 million vs. \$19.5 million.

SEALMINER sales revenue in Q1 was \$4.1 million.

The decrease in hosting revenue was mainly caused by two factors: first, we converted 100 MW of hosting capacity at our Texas facility to hydro cooling capacity, which is expected to be renovated and equipped with SEALMINER hydro-cooled mining rigs that began phasing in during the first quarter of 2025. Second, some hosting customers removed less efficient miners after the halving in April 2024. Some of this extra capacity is currently being replenished by new hosted mining rigs.

Total gross profit for the quarter was negative \$3.2 million vs. positive \$34.1 million and gross margin was -4.6% vs. 28.6%. The decrease in our gross margin was primarily driven by the April 2024 halving event's impact on self-mining and lower hosting and cloud hash rate revenues.

Total operating expenses for the quarter were \$75.8 million vs. \$37.8 million. The increase was primarily driven by higher R&D costs related to the one-off tapeout costs for SEAL03, higher engineering costs related to the Company's ASIC development roadmap, and non-cash amortization expenses of intangible assets related to the acquisition of FreeChain in Q4 2024.

Other operating expenses were \$7.8 million due primarily to 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 \$503.1 million vs. \$2.4 million. The net gain was due to the non-cash derivative gains on the convertible bonds issued in August 2024 and November 2024 and Tether warrants, which I will discuss in more detail in the liability section.

IFRS net profit was \$409.5 million vs. \$0.6 million.

Adjusted profit was negative \$89.8 million vs. positive \$9.7 million.

Adjusted EBITDA was negative \$56.1 million vs. positive \$27.3 million.

This quarter's lower performance compared to Q1 last year was primarily driven by the impact of the 2024 halving, higher global network hashrate, lower hosting and cloud mining revenue and higher R&D costs as described previously. These negative impacts were partially offset by higher average self-mining hashrate and higher Bitcoin prices for the quarter.

Net cash used for operating activities was \$284.0 million predominantly driven by SEALMINER supply chain and manufacturing; Net cash used for investing activities was \$73.6 million including \$45.7 million of capital expenditures for infrastructure construction and mining rigs, \$18.2 million for the purchase of cryptocurrencies, \$21.9 million to acquire the site and gas-fired power project in Alberta, and US\$12.3 million of proceeds from disposal of cryptocurrencies from the principal business. Net cash generated from financing activities for the quarter was \$94.9 million, which resulted primarily from the \$118.4 million of net proceeds from issuance of shares under our ATM facility in January and February, offset by \$21 million used for share repurchases.

Moving on to our 2025 bitcoin mining infrastructure spend. We expect capex for the continued build out of our global power and datacenter infrastructure to now be in the range of approximately \$260 to \$290 million for calendar year 2025. This updated range includes reported infrastructure capex in Q1. The reduction from our prior guidance is due to approximately \$80 million in savings for the pause of bitcoin-mining infrastructure construction at our Clarington, Ohio site that Haris spoke about earlier. Please note that this guidance only factors in power and datacenter spend for bitcoin mining and does not include capex for SEALMINERs used for self-mining.

In terms of our balance sheet, we ended the quarter in a strong financial position, with \$215.6 million in cash and cash equivalents, \$131.1 million in cryptocurrencies and \$215.4 million in borrowing excluding derivatives.

Derivative liabilities were \$256.8 million, which relate to the Tether warrants and August 2024 and November 2024 convertible notes, representing a \$507.2 million decline compared to the last quarter. Again, this is a non-cash fair value adjustment driven by the decline 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 April 2025, we entered into a loan agreement with Matrix Finance and Technology Holding Company for a financing facility of up to US\$200 million. The Loans drawn under the facility bear a variable interest rate of 9.0% plus a market-based reference rate. Each drawdown is repayable in fixed monthly installments over 24-months and is secured by a pledge of SEALMINERs. As of today, 2025, we have drawn approximately US\$90 million under this facility.

Finally, regarding our outstanding ATM facility, since the middle of February 2025, we have not sold any additional shares given the broader market correction.

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