

Company Name: Bitdeer Technologies Gro
Company Ticker: BTDR US
Date: 2026-05-14
Event Description: Q1 2026 Earnings Call

Market Cap: 3257.9698972051133
Current PX: 13.390000343322754
YTD Change(\$): 2.18
YTD Change(%): 19.447

Bloomberg Estimates - EPS
Current Quarter: -0.28400000000000003
Current Year: -1.127
Bloomberg Estimates - Sales
Current Quarter: 232.091
Current Year: 1001.364

Q1 2026 Earnings Call

Company Participants

- Tesh Dahya, Head of Investor Relations
- Haris Basit, Chief Strategy Officer
- Jihan Wu, Chairman of the Board, and Chief Executive Officer

Other Participants

- Gregory Lewis, Analyst
- Mike Colonnese, Analyst
- Logan Hennen
- Kevin Cassidy, Analyst
- Nick Giles, Analyst
- John Todaro, Analyst

Presentation

Operator

Hello, and welcome to Bitdeer Technologies First Quarter 2026 Earnings Conference Call. At this time, all participants are in a listen-only mode. After the speaker's presentation, there will be a question-and-answer session. (Operator Instructions)

I would now like to hand the conference over to Tesh Dahya. You may begin.

Tesh Dahya, Head of Investor Relations

Thank you, operator and good morning, everyone. Welcome to Bitdeer Technologies Group's First Quarter 2026 Earnings Conference Call. Joining me today are Jihan Wu, Founder, Chairman, and Chief Executive Officer, Matt Kong, Chief Business Officer, and Haris Basit Chief Strategy Officer. Today's call will begin with Haris providing a review of the Company's first quarter results, operational progress, and strategic direction, and I will close with an update on our financial performance.

To accompany today's call, we have provided a supplemental investor presentation available on Bitdeer's investor relations website under Webcasts and Presentations. Before management begins their formal remarks, I 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 of forward-looking statements and the risks and uncertainties related to Bitdeer's business, please refer to the Company's filings with the US Securities and Exchange Commission. I also want to note that beginning with the first quarter of 2026, Bitdeer has transitioned from international financial reporting standards to US generally accepted accounting principles. As part of this transition, Bitdeer has adopted FASB ASU 2023-08 which requires digital assets held to be measured at fair value each reporting period. Changes in the fair value of our digital assets will flow through GAAP net income and may introduce non-cash volatility into reported earnings. We will discuss this further during the financial review.

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With that, I will now turn the call over to Haris.

Haris Basit, Chief Strategy Officer

Thank you, Tesh, and good day, everyone. The first quarter of 2026 demonstrated Bitdeer's fundamental strength and resilience, in a challenging environment for the broader mining industry our vertically integrated platform advanced across our four strategic businesses. Bitcoin mining, ASIC development, AI cloud, and colocation datacenter infrastructure. We are making significant progress in each area. First, our Bitcoin mining production has grown almost 500% year-on-year.

Second, we launched the industry leading SEALMINER A4 series. Third, we are rapidly growing our AI Cloud revenue, and fourth, we are well on our way towards converting our Tydal Norway facility into what is expected to be Norway's largest AI Data Center with a lease tenant in advanced stages of negotiation. The combined strengths we see across our portfolio create optionality that is genuinely differentiated within our industry. We remain committed to Bitcoin mining and see significant opportunity ahead. At the same time, our 3 gigawatt global power capacity is a strategic asset that is increasingly relevant to AI and colocation customers.

In Q1, we delivered total revenue of \$188.9 million, an increase of approximately 170% year-over-year with an adjusted EBITDA of \$14.4 million, an approximate \$60 million increase year-on-year. Tesh will cover additional details of the financials here shortly, but first, let's turn to a review of our power and infrastructure portfolio which remains the foundational asset underlying everything we are building.

We continue to make meaningful progress across our global infrastructure footprint during the quarter. As of the end of March, we had approximately 1.7 gigawatts of electrical capacity online and a total global power pipeline of approximately 3 gigawatts. We believe this represents one of the largest and most AI suitable power portfolios among publicly listed companies in our sector, and it continues to provide us with strategic optionality as demand for large scale compute infrastructure intensifies.

Our core sites are sizable, dispersed across multiple continents, and regulatory jurisdictions. They include access to renewable energy with attractive economics, featuring infrastructure designed to support intensive continuous operation. These are characteristics that are difficult and time consuming to replicate, and they are increasingly what large scale AI customers are looking for as they pursue power constrained deployment. Over the past several months, we have seen the demand dynamics for AI Data Center capacity continue to sharpen. The supply and demand imbalance for AI compute has widened, and we expect this shortage to persist well into 2027 and beyond. Time to power remains a critical variable and we are positioned to serve customers seeking both near term and midterm capacity in a way that very few operators can match.

Against this backdrop, we are prioritizing colocation arrangements for our larger sites, which are best suited to serve hyperscale NeoCloud and enterprise tenants seeking substantial committed capacity. For our smaller facilities, we continue to pursue AI Cloud opportunities, deploying capacity on a contract-backed basis. This tiered approach reflects a disciplined allocation of capital across our portfolio, matching the appropriate commercial model to the scale and characteristics of each site.

Let me walk through where we stand on key development sites. Tydal Norway remains our highest priority colocation opportunity on March 30th, 2026, our subsidiary Tydal Data Center AS entered into a formal agreement with Datacenter Installations AS a specialized Norwegian contractor to develop and convert the Tydal facility into an AI Data Center. The project will deliver 180 megawatts of gross installed capacity and the first phase is expected to be completed as early as December 2026.

Upon completion, the Tydal's facility is expected to be Norway's largest operational AI Data Center and one of the largest in Europe by installed capacity. This facility is being built primarily for colocation usage. Designed in accordance with NVIDIA guidelines and closely following NVIDIA reference designs, it is intended to support deployment of both GB300 and NVIDIA's latest Vera Rubin AI technology. What makes Tydal particularly compelling

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to prospective tenants is the combination of attributes that are genuinely rare, stable baseload power enabled by 100% renewable resources and an excellent power usage effectiveness or PUE of approximately 1.1 enabled by the cold climate and chilled water available from a nearby lake.

Furthermore, the site was built such that it substantially reduces retrofit capital requirements relative to a greenfield build. We expect our remaining CapEx cost to complete the Tydal site to be significantly lower than typical greenfield data center development costs. Orders for most long lead equipment have been placed and decommissioning of Bitcoin mining rigs at the site is already underway. Upcoming near-term milestones include finalization of key equipment installation contracts and technical installation work in several of our data halls.

Lastly, we have also begun technical due diligence work on behalf of our future tenant. We are in advanced stages of negotiations with a potential colocation tenant for Tydal. These discussions when completed, would result in highly regarded and well recognized end users.

Morgan Stanley has been retained as our financial advisor for this project. Signing the Tydal lease agreement is management's highest priority. At Clarington, Ohio, we have 570 megawatts of power under contract with AEP. This is one of the largest AI Data Center development opportunities in the United States among publicly listed companies in our sector. Design and preparation work is continuing for the site. As we have disclosed, litigation filed by a neighboring company could affect the timing of construction. Our attorneys feel strongly that we have a well founded case and that the litigation has limited merit.

On the business side, we are evaluating plans that can mitigate the impact on our overall development timeline. We remain optimistic about the potential for the site, and we continue to build strong relationships with the local community and government officials at all our Ohio sites. At Rockdale, Texas, we are pursuing a dual track strategy that maintains our existing Bitcoin mining operation while developing new AI infrastructure on adjacent land. In addition, we are working with ERCOT on incremental power capacity of 179 megawatts targeted for energization by year-end.

This will bring our total power capacity at Rockdale to over 740 megawatts. We are actively engaged in discussion with several prospective colocation tenants for this site. The Rockdale site benefits from its location in the aircraft market and will be designed from the ground up to support AI workloads. This approach allows us to maintain revenue generating mining operation throughout the development period rather than interrupting them. Beyond these three primary sites, conversion projects are advancing at Wenatchee, Washington and at Knoxville, Tennessee. Both sites are undergoing design and permitting work for AI Data Center conversion with the Wenatchee site and first phase of our Knoxville site targeted for completion in the fourth quarter. At Niles, Ohio, we are actively working toward the development of our 300 megawatt grid interconnected site with a target energization timeline of the fourth quarter of 2028. We also plan to break ground on our 101 megawatt Fox Creek, Alberta, Canada site in June of this year.

Furthermore, we continue to aggressively look for additional opportunities to invest in land and power capacity, and we will share these updates as appropriate. The US continues to be the primary hub for Bitdeer's global operations. Bolstered by our confidence in pro-business, pro-innovation policies that support the growth of AI and digital assets.

We remain firmly committed to scaling our presence in the US. On the Bitcoin mining side, the expansion of our self-mining platform continued throughout the quarter. Self-mining hash rate grew from 55.2 exahash per second at the end of December 2025 to approximately 65 exahash per second exiting March. 65 exahash per second represents a year-over-year increase of more than 400%. We mined 668 Bitcoin in January, 705 Bitcoin in February, and 661 Bitcoin in March.

The modest decline in March relative to February reflects seasonal factors at our Norway and Bhutan facilities rather than any underlying deterioration in fleet performance. As witnessed by our April production of 783 Bitcoin. We expect to see continued momentum in the months ahead. Our mining operations are not plateauing. The SEALMINER A4 Series, officially launched on April 7, 2026 represents the most efficient mining rigs anyone has delivered. The flagship A4 Ultra Hydro model operates at 9.45 joules per terahash. The A4 series also includes the A4 Pro Hydro and the A4 Pro Air at 10.9 joules per terahash.

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These machines provide deployment flexibility across different site configurations and cooling environments. The A4 Pro Air is one of the most efficient air-cooled mining rigs in the world. SEAL04-2 chip development continues at our US based design center. Importantly, our internal manufacturing capability means we are not subject to third-party hardware markups on these rigs when deploying them into our own fleet. This is a structural cost advantage over other mining operations. The inclusion of these new machines will continue to improve our fleet efficiency of approximately 16.4 joules per terahash as of March 31st, 2026. That efficiency improvement combined with our advanced chip design and supply chain resources translates directly into lower cost per unit of hash rate produced, which means better mining margins at any given hash price level.

Over the next several quarters, we plan to leverage our growing fleet of SEALMINERs beyond our existing mining datacenter capacity and work with third parties to deploy incremental co-mining capacity at their facilities. This will allow us to maximize mining economics in the near term while maintaining flexibility to opportunistically drive SEALMINER sales into the second half of the year depending on market conditions.

On the SEALMINER manufacturing front, preparations for our Reno, Nevada factory are progressing. The facility lease has been signed and construction permit applications have been submitted to local municipal authorities and we anticipate starting construction by Q3. US-based manufacturing is a core component of our vertically integrated strategy in aligns with both our operational resilience objectives and the evolving trade and supply chain environment. Our AI Cloud business has matured from a pilot service into a commercially distinct, structurally attractive business segment with rapidly growing revenue and a deepening enterprise customer base.

For the AI Cloud business, annual recurring revenue, which was approximately \$10 million at the end of January, grew to approximately \$21 million by the end of February and reach approximately \$43 million at the end of March. GPU utilization climbed from 41% in January to 94% in March. At quarter end, we had 2,128 GPUs deployed, including H100, H200, B200 and GB200, with 1,948 under active external subscription. More recently in our April production update, we announced annual recurring revenue has now reached approximately \$69 million with over 4,000 GPUs deployed.

Customers are committing to longer durations which improves revenue visibility and cash flow stability. Since late 2025, we have seen hourly pricing of H100s increased by approximately 40%. This is in direct response to demand levels and the market is absorbing this increase without meaningful friction. This pricing power reflects the strong fundamentals of our AI Cloud business. In January, we deployed our initial NVIDIA GB200 NVL72 infrastructure at our Cyberjaya, Malaysia facility. This marks the first phase of an accelerated expansion designed to support enterprise grade training workloads on the Grace Blackwell architecture. In February, we launched a managed Kubernetes service with GPU native orchestration, providing enterprise customers with scalable infrastructure for AI training and inference. Our Model Studio platform now supports more than 50 leading open source models, enabling clients to deploy everything from basic inference to advanced multimodal applications through a single managed environment.

In March, we showcased our integrated AI solutions at the NVIDIA GTC conference, generating incremental business opportunities and strengthening our brand presence within the AI infrastructure ecosystem. We are actively evaluating US data center leasing opportunities and expect to bring GPU capacity and AI Cloud services online for US customers in 2026. Consistent with our stated approach, any large scale US GPU expansion will be backed by committed customer contracts.

Turning to our balance sheet, in February, Bitdeer successfully priced an upsized offering of \$375 million in 5% convertible senior notes due in 2032. We ended Q1 with cash, cash equivalents and restricted cash of \$298 million. We expect that the bulk of our fiscal year '26 total financing needs will be addressed through project level debt financing following a signed lease agreement for our Tydal Norway site.

Now, I will hand it back to Tesh to go over the detailed financials.

Tesh Dahya, Head of Investor Relations

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Thanks, Haris and good day, everyone. It's great to be here and look forward to meeting many more of our shareholders in the coming months. Let me walk through our detailed financial results for the first quarter. Before I begin, I would like to remind everyone that all figures are in US dollars and as noted earlier, this is our first quarter reporting under US GAAP.

In addition to discussing results calculated in accordance with US GAAP, we'll also reference certain non-GAAP financial measures including adjusted EBITDA. Adjusted EBITDA excludes non-cash fair value changes on our digital assets and convertible note derivative liabilities along with certain other items, and we believe it provides the most consistent basis for assessing core operational performance. For a full reconciliation of non-GAAP measures, please refer to our earnings release published earlier today on Bitdeer's Investor Relations website. First quarter consolidated revenue was \$188.9 million, an increase of approximately \$119 million year-over-year. The year-over-year growth was driven primarily by the significant expansion of our mining hash rate, and associated Bitcoin production, reflecting the continued SEALMINER deployment throughout 2025 and into 2026. Sequentially, revenue declined from \$224.8 million in the fourth quarter of 2025 reflecting lower average Bitcoin prices during the first quarter relative to the fourth quarter, as well as a larger portion of our manufacturing output going towards self-mining deployment rather than external SEALMINER sales.

Total gross profit was negative \$39 million, reflecting a gross margin of negative 20.7%. Three converging factors drove the outcome. First, Bitcoin prices remains under pressure throughout the quarter. Second, our mining fleet carries substantial non-cash depreciation expense amounting to \$70 million given our rapid expansion. As a reminder, we now depreciate mining rigs on a three year straight line basis and the pace of SEALMINER deployment throughout 2025 and into 2026 generates a significant concurrent charge.

Third, a seasonal power cost dynamics at our Norway and Bhutan facilities weighed on energy costs in the first quarter. Looking ahead, the path to gross margin recovery is straightforward. A4 series deployment lowers our cost per Bitcoin mined spring and summer rate normalization reduces electricity costs, and the scaling of AI Cloud revenue improves margin composition as that segment grows.

Adjusted EBITDA was \$14.4 million for the quarter, an increase of approximately \$60 million year-on-year. The sequential decline from \$24.3 million in the fourth quarter of 2025 reflects the gross margin dynamics described earlier. Operating loss in the quarter was negative \$159.5 million and earnings per share was negative \$0.68. Net cash used in operating activities was \$346.9 million, a 42% reduction versus the Q4 net cash used in operations of \$594.7 million.

The primary drivers of the sequential reduction were lower SEALMINER supply chain and manufacturing costs, partially offset by higher electricity costs. Turning to the balance sheet, we exited the first quarter with \$297.7 million in cash, cash equivalents and restricted cash compared to \$177.9 million at year end 2025. Total borrowings at the end of Q1 were approximately \$1.92 billion. For the full year 2026, we reiterate our guidance for total infrastructure capital expenditures in the range of \$180 million to \$200 million for crypto mining datacenter construction. This guidance covers crypto mining infrastructure only and does not include CapEx for SEALMINER hardware, GPUs, AI Cloud or colocation development. Additionally, we anticipate a continuation of growth in our mining hash rate, albeit at a more moderate pace than we have seen throughout the prior two quarters.

In summary, the first quarter of 2026 was a quarter of execution and strategic advancements. Gross margin were under pressure from a combination of low Bitcoin price, the depreciation accounting impact of our fleet expansion, and seasonal power costs. These factors are transitory and the forward catalysts for margin recovery are tangible and progressing. A4 deployment, power cost normalization, colocation and scaling our AI Cloud. Against that backdrop, we delivered on the key elements that will define the value creation we expect to deliver over the coming quarters.

We launched the SEALMINER A4, we grew AI Cloud ARR by 105% in a single month. We engaged a construction partner for Norway's largest AI Data Center, and we strengthened our balance sheet with \$375 million in new capital. The colocation pipeline ahead of us is substantial, and we're pursuing it with full organizational focus. We entered the second quarter with strong operational momentum, a differentiated asset base and a team that has demonstrated its ability to execute at scale. We are energized about what lies ahead and remain committed to delivering long term value for our shareholders. Thank you.

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Operator, please open the call for questions.

Questions And Answers

Operator

(Operator Instructions) Our first question comes from the line of Greg Lewis with BTIG. Your line is open.

Gregory Lewis, Analyst

Yeah, hey, thank you and good morning and good afternoon and thanks for taking my questions. Haris, I appreciate we're in advanced discussions on Tydal in Norway. That being said, kind of curious how you're thinking about that. I noticed in the comments, we talk about the design planning, how much design knowing that there is some similarities between certain customers and what they expect from a data center, but there are some differences. How far in the process of the final design can we get? Is that something that we then need to wait for the customer to kind of move forward? And just as we think about the opportunity in Norway. Like I know we're talking about hyperscalers, but like how important is that? I know there's some big tech Scandi companies maybe that we wouldn't think are traditional hyperscale -- that some people might not think are traditional hyperscalers, but are kind of big tech companies in northern Europe. Just kind of curious if you could provide any color around some of those questions on that opportunity.

Haris Basit, Chief Strategy Officer

Okay, sure. Thank you, Greg. So with regards to the exact technical specifications and there are differences between customers because different customers want to put in different machines, versus GB300s versus Vera Rubins and a mix of those machines. And so, but we have, I would say, the vast majority, almost entirely of the design in hand.

And we're still communicating with the most likely tenant here, the one that we're very close to signing to make sure that, all the design elements meet what their requirements are, which turn out to be very close to what the NVIDIA reference designs are. So we think we have that well in hand. There's ongoing discussions, but just over very detailed type of stuff at present. And then with regard to the type of tenant, that the two most important things here are that there be a very sound credit investment grade client or a very good credit wrapper.

And so that's important. And then of course, the economics of it are important. And we're focusing on those two things. We think we've-- if it goes through the way we expect in the timeframe we expect, I think investors should be relatively pleased with both of those issues. And I can't say too much more about the tenant, but it won't be too long before I think we can announce that deal.

Gregory Lewis, Analyst

Understood, thank you for that. And then I did want to touch on the Clarington in the press release you mentioned and then actually in the prepared remarks we mentioned the, maybe some of the delays that are going on, realizing that-- that is active. Could you kind of at least provide like some broad strokes around what is actually happening? I mean, yeah, just kind of like that. That was news to us. So just want to understand,

Haris Basit, Chief Strategy Officer

I'm sorry, which location?

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Gregory Lewis, Analyst

What some of those headwinds are that you're going to have to deal with?

Haris Basit, Chief Strategy Officer

Which location are you referring to?

Gregory Lewis, Analyst

I'm sorry? Clarington.

Haris Basit, Chief Strategy Officer

Oh, Clarington. Well, we announced earlier about the litigation at that site and we're still working through that and we expect that will have an impact on the construction schedule. There's not really a lot more I can say about that we are looking at, ways of mitigating those impacts. But..

Gregory Lewis, Analyst

I mean, I guess what I would ask is that the power is approved, so it would have to be something more around, like the land user. Is that---how is that kind of.

Haris Basit, Chief Strategy Officer

Yeah, it's not really a question of the power.

Gregory Lewis, Analyst

Okay. All right, thank you, guys.

Haris Basit, Chief Strategy Officer

Thank you, Greg.

Operator

Our next question comes from the line of Mike Colonnese with H.C. Wainwright. Your line is open.

Mike Colonnese, Analyst

Hi. Good morning, guys. Thank you for taking my questions and nice to see all the progress across your business lines here. So it sounds like Tydal is progressing nicely. I was wondering if you could provide a little bit more color on Rockdale. It sounds like you're going to simultaneously construct a new AI Data Center alongside your Bitcoin mining operations there. Can you talk about the level of client demand for that specific asset? Sounds like a really unique opportunity given the power capacity and really what the development timelines could ultimately be for that part of the

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portfolio for an AI colocation opportunity.

Haris Basit, Chief Strategy Officer

Yeah, I think it's a little early to predict the exact development timeline for that. It's a very attractive site for AI, and one of the things to make it even more attractive would be to have more land, which is what we're working on at that site. But the power is there and it's going to be expanded to even a larger envelope of power, over 700 megawatts. So, it's good location for AI.

We're speaking with several potential tenants there. They span, from hyperscalers to NeoClouds and even some others. But the level of demand, I think is very high. I think the-- I can't really put a good timeframe on the execution of that site yet, but we're moving forward on at least making sure that we have an appropriate land space where we can develop the AI Data Center while the Bitcoin mines are still operating.

Mike Colonnese, Analyst

Got it. Very helpful color, Haris. Appreciate that. And then speaking on the AI side, but more on the cloud business that is seeing really strong growth here between GPU deployments, utilization rates. Just curious to get a sense as to how durable that revenue stream is here. Obviously, the utilization rates are helping, but to the extent you could share more information around the contracted element to it, and then also if there any sort of internal benchmarks, you guys are looking to grow that business this year. Obviously you have multiple business lines you're working through, but thinking about GPU expansion from the around 4,000 that you got have today. The best way for investors to think about that.

Haris Basit, Chief Strategy Officer

Yeah, I think there's tremendous demand for GPU and it's really on our part limited by how quickly we can bring up these GPUs and AI cloud sites. But the demand is there, it's across the Board. It's. We mentioned we were able to raise the rates on our H100s by 40% and have no problem booking those. So we're also starting to get longer term contracts. I don't know. Jihan did you want to add anything to that? Maybe

Operator

You're on mute, Jihan.

Jihan Wu, Chairman of the Board, and Chief Executive Officer

Okay, I'm muting myself. Okay. Right now, most of our contract is long term contract. Right now, it takes majority of our machines in long-term contract. And right now, customers, we need to agree with us on such terms usually three to five years.

Mike Colonnese, Analyst

Got it. Very helpful color guys. Appreciate you taking my questions.

Haris Basit, Chief Strategy Officer

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Thank you Mike.

Operator

Our next question comes from the line of Mike Grondahl with Northland Capital Markets. Your line is open.

Logan Hennen

Hey guys, this is Logan on for Mike. Thanks for taking our question. First, can you just provide some insight into the conversations around pricing and terms at Norway and also some color on just what the remaining hurdles are to get a lease signed at the site. Thanks.

Haris Basit, Chief Strategy Officer

Yeah, I don't think we're going to give you satisfaction on the pricing other than we think it's at the near the top of the market of what we've seen announced. So we think it's going to be quite good. Let's see for what's left. There's just a lot of detailed work. We are in the late stages or advanced stages of negotiating release and there's just a lot of small details. There's no one big thing that stands in the way but all these small little things do have to get handled before we can have a finish signed lease.

So there's yeah, there's no one thing that's standing in the way here. We're trying to move as fast as we can. It's our highest priority within the management chain here and we're applying a tremendous amount of resources to it. There's just a lot of details that needs to get covered here.

Logan Hennen

Got it. And that's great to hear on the favorable pricing. And then one more. In your April update, you mentioned that various other sites outside of Norway, Clarington and Rockdale, are in advanced stage negotiations. Are you guys at a point to be able to formally call out those sites by name? And if not, can you just provide some color around how demand for your sites has changed over the last 90 days? Thank you.

Haris Basit, Chief Strategy Officer

Yeah, I mean I think the last 90 days, it stayed. It's pretty much, it stayed very strong. I don't know how to quantify whether it's gotten a little stronger or not. But we haven't seen any diminishment, that's for sure. And yeah, we are not in a position to announce the schedule for any of the other sites in terms of the colocation. The AI cloud sites we have announced Q4 of this year for Wenatchee and the first phase of the Knoxville, Tennessee site. So is there something different than that you were looking for?

Logan Hennen

No, that's all good. Thank you guys and congrats on an impressive start to 2026.

Haris Basit, Chief Strategy Officer

Thanks Logan.

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Operator

Our next question comes from the line of Kevin Cassidy with Rosenblatt. Your line is open.

Kevin Cassidy, Analyst

Yes, thanks for taking my question and congratulations also on all the progress you have. Just going back to the AI Cloud, very impressive that you able to raise hourly rates by 40% on the H100. What's the trend as you go to the higher performance GPUs? What kind of rate increase should we expect on the hourly wage per rate?

Haris Basit, Chief Strategy Officer

Maybe I'll ask Jihan to answer that question since I don't have a good feel for that.

Jihan Wu, Chairman of the Board, and Chief Executive Officer

Well, because previously, we have mostly signed with short term contract. So after those contract ends, we have -- we had an opportunity to raise the rates. But right now, most of our GPU cost is in kind of a long term contract. So the rate will be relatively stable from now on.

Kevin Cassidy, Analyst

Okay, I guess (multiple speakers) how the rate differs from the high end machines to the 1800s. Right? It's something like that. Or?

Jihan Wu, Chairman of the Board, and Chief Executive Officer

Yeah, yeah. And as we

Haris Basit, Chief Strategy Officer

Better leverage.

Jihan Wu, Chairman of the Board, and Chief Executive Officer

Yes. If we go into higher end GPU, that means we are deploying new GPU and right now, all those contracts are negotiation where we are preparing the data centers and installation work. Generally we can feel that the customers are quite competitive on the demand side and we needed to definitely to choose our clients so that can be stable and also profitable. That's what we need to weigh. So I-- as in general, I'm quite optimistic about the profitability of the GPU renting AI Cloud business because the customers are quite willing to pay good price to get the GPU.

Kevin Cassidy, Analyst

I see. Okay. Thank you. And just maybe it wouldn't be a Bitdeer conference call if I didn't ask about the SEAL04, second version. You mentioned you're still working on it, but do you have any timing and are we what the targeted joules per terahash is?

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Company Ticker: BTDR US
Date: 2026-05-14
Event Description: Q1 2026 Earnings Call

Market Cap: 3257.9698972051133
Current PX: 13.390000343322754
YTD Change(\$): 2.18
YTD Change(%): 19.447

Bloomberg Estimates - EPS
Current Quarter: -0.28400000000000003
Current Year: -1.127
Bloomberg Estimates - Sales
Current Quarter: 232.091
Current Year: 1001.364

Jihan Wu, Chairman of the Board, and Chief Executive Officer

No. We haven't changed the target but. And we're not ready to announce new timing on that yet, so sorry about that.

Kevin Cassidy, Analyst

Okay. Just obliged to ask that question every time.

Jihan Wu, Chairman of the Board, and Chief Executive Officer

I was surprised that wasn't your first question, Kevin.

Kevin Cassidy, Analyst

Okay, thank you. Congratulations.

Haris Basit, Chief Strategy Officer

Thanks.

Operator

Our next question comes from the line of Nick Giles with B. Riley Securities. Your line is open.

Nick Giles, Analyst

Thanks, operator. Good morning, everyone. Maybe just to follow-up from an earlier question around, to what stage across some of these other sites would you be willing to, kind of build for colocation purposes? And what level of CapEx would be associated with that? And then do you have a rough estimate of how much CapEx you've deployed to date towards colocation conversions across the platform?

Haris Basit, Chief Strategy Officer

We haven't announced or revealed our CapEx for colocation conversion other than to say that the amount of capital required in Norway is remarkably less than the normal amount of CapEx required. We expect that the CapEx requirements at other sites, the US sites will be closer to the typical amount needed to build an AI Data Center. We will be able to get some of the savings that we had in Norway at other sites, but not to the same extent.

Nick Giles, Analyst

Understood. I appreciate that, Haris. Maybe switching gears just on the Reno, Nevada site, the facility, the ASIC facility. Any kind of preliminary estimates on what CapEx could be there? And then how would this change your margin profile in that business, if at all?

Haris Basit, Chief Strategy Officer

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Yeah, I think that just to remind everyone, that's the site where we're assembling ASIC mining rigs. Jihan, do you have an answer for that question?

Jihan Wu, Chairman of the Board, and Chief Executive Officer

Yeah. So I don't think we've. We haven't reported the amount of capital required for that site. It's significantly smaller than the amount of capital required for like a datacenter or even a Bitcoin mining site. What was the other part of that question?

Nick Giles, Analyst

Really? (multiple speakers) I was just curious,

Haris Basit, Chief Strategy Officer

The margin.

Nick Giles, Analyst

The margin profile of that business. Yeah.

Haris Basit, Chief Strategy Officer

Well, it will be a little bit more expensive to build in Reno than it will be in Asia or to assemble there. But, most of the cost of our mining rigs is really embedded in the silicon itself, which is still made by TSMC in the same location. So we think that the incremental cost of assembling in the US will not be covered by, for example, tariffs and things like that. So we think it will be a very good location for us and within a reasonable price increment of building in Asia, especially if you account for tariffs.

Nick Giles, Analyst

Understood. All right, thanks a lot, Haris.

Operator

Thank you. Our next question comes from the line of John Todaro with Needham. Your line is open.

John Todaro, Analyst

Hey, guys, thanks for taking my question. Congrats on the progress so far. I guess just going back to Rockdale and Clarington. Obviously some pieces need to still be completed there to get development moving along. I think my understanding is it's mostly acreage, I guess. What are some of the limiting factors there? Are we just kind of in negotiation processes for that? Do you need some additional cash to get those items done? I guess just trying to understand that a little bit better to see how far along we can be.

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Haris Basit, Chief Strategy Officer

Well, I think one way to think about it is that the amount of power, let's say, in Rockdale is much larger than the amount of land. Right. So that's something that we want to rectify. And it's really around those kinds of issues that we want to make sure we're able to fully utilize all of the power that we have at those locations. And of course, in Clarington, there's the additional complication of the litigation.

John Todaro, Analyst

Okay, understood, thanks. And then shifting to Bitcoin mining machine sales. So obviously a lot of the US public miners are pulling back as they shift towards AI/HPC. You guys have had a little bit more external service sales in international markets. So wondering, how does that change the sales strategy? Is it actually a benefit versus a negative that there's more public US-focused miners pulling back and maybe that shifts more opportunity to do sales internationally? I guess just trying to frame up how that shifts for external sales a bit longer term here.

Haris Basit, Chief Strategy Officer

So one thing I just want to remind you that we're not really pushing that hard for external sales at this point. Almost all of the output is being used internally by our own datacenters. We do, as you mentioned, sell internationally. So the fact that a lot of the US mining companies are pulling back is not as has a little mitigated impact. Based on that then, I don't know. Jihan, did you want to make any additional comments on Bitcoin mining ASIC sales or demand?

Jihan Wu, Chairman of the Board, and Chief Executive Officer

Right now, because of the constraint supply of the semiconductor fabrication service, we intend to do more self mining and self mining is also, I believe is a profitable business. So we still have some Bitcoin mining sites. We haven't filled it and we also have lots of partners that want to do co-mining partnership with us which means that we provide the Bitcoin mining rigs and they provide the Bitcoin mining farm so we can share the Bitcoin mining hash rate and we will get a majority out of it.

And the electricity bill needs to be transparent and no markup from the commanding partnership side. It's quite scalable. So we are not very aggressive on selling the mining rate right now. Right now, the Bitcoin price is still in its bearish situation and if we sell the mining rigs, we will have to sell it at a very bad price. I think so. I think to expand our self-mining is the best economical decision for our company.

John Todaro, Analyst

Understood. Thanks on that. So the focus is yeah, almost these are primarily on internal. Okay, thank you for that, gentleman. Appreciate it.

Operator

(Operator Instructions) Our next question comes from the line of Brian Kinstlinger with Alliance Global Partners. Your line is open. Brian, your line is open. Check to see if you're on mute. All right. I don't have a response from Brian. All right, ladies and gentlemen, I'm showing no further questions in the queue.

I would now like to turn the call back over to Haris for closing remarks.

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Haris Basit, Chief Strategy Officer

I think actually it's Tesh. Do you have some closing remarks, Tesh?

Tesh Dahya, Head of Investor Relations

Yeah, I think we just want to thank everyone for joining the call. We're exiting the first quarter with clear operational momentum here, a focused strategy and we're really executing decisively at our AI infrastructure pipeline. Thank you for joining us today and we look forward to driving to sustainable long term value creation.

Haris Basit, Chief Strategy Officer

Thank you, everyone.

Operator

Ladies and gentlemen, that concludes today's conference call. Thank you for your participation. You may now disconnect.

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