

BitFuFu Second Quarter 2026 Earnings Conference Call Transcript August 17, 2026

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MANAGEMENT DISCUSSION SECTION

Operator: Good day and thank you for standing by. Welcome to BitFuFu, Inc. Second Quarter 2021 Earnings Conference Call. At this time, all participants are in a listen-only mode. Please be advised that today's conference is being recorded. I'd now like to turn the conference over to your first speaker today, Ms. Liane Tang from BitFuFu's Investor Relations. Thank you. Please go ahead.

Liane Tang

Manager, Investor Relations, BitFuFu, Inc.

Thank you, operator. Good morning, everyone. Welcome to BitFuFu's second Quarter 2026 Earnings Call. Thank you so much for joining us today.

Joining me today on the call are Chairman and CEO Leo Lu and CFO Calla Zhao.

As we begin, please note that today's call will contain forward-looking statements. These statements involve risks and uncertainties, and actual results may differ materially. We refer you to our filings with the SEC for a full discussion of these risks. The Company assumes no obligation to update any forward-looking statements, except as required by law.

We will also discuss non-GAAP financial information on this call. The Company provides this information to supplement information prepared in accordance with U.S. GAAP. A reconciliation of these measures to the Company's reported GAAP results can be found in the reconciliation tables provided in today's earnings release. Finally, for those new to our call: we will not be conducting a Q&A session on the call itself. However, if you have any questions, please send them to ir@bitfufu.com. We aim to respond within 24 hours—we value your questions and are committed to transparent, timely communication.

I will now turn the call over to Leo to begin the management discussion.

Leo Lu

Chairman & Chief Executive Officer, BitFuFu, Inc.

Thanks, Liane, and thank you all for joining us today.

Looking back at the second quarter, I see it as a pivotal period where we focused on building strength and proactively positioning ourselves for the second half of the year. In an industry environment that remains highly dynamic, we didn't sit back and simply wait for market conditions to improve. Instead, we doubled down on what we can control—taking decisive, strategic steps to optimize our hashrate mix, upgrade platform capabilities, and drive operational efficiency.

From an execution standpoint, we made meaningful progress in Q2. By the end of June, our self-mining hashrate had grown to approximately 3.5 EH/s, up 9.3% quarter-over-quarter. Combined with the increased allocation of hashrate to our self-mining operations, we were able to significantly boost production. Our monthly self-mining production nearly tripled during the quarter—rising from 32 BTC to a peak of 90 BTC.

At the same time, our Hosting revenue increased by a remarkable 254% year-over-year, primarily driven by our “buy & host” solution. This offering continued to gain traction with clients seeking a more flexible, hassle-free way to manage their mining assets, sustaining strong demand from new customers throughout the quarter and underscoring its potential as a future growth driver.

In Cloud Mining, while lower Bitcoin prices temporarily weighed on customer ordering, we observed growing demand for differentiated products, such as hashrate products with stable outputs. This provides us with valuable insights into how customer needs are evolving and will help guide our continued refinement of the cloud mining product suite.

To further strengthen our operational foundation, we acquired approximately 3,200 latest-generation S21 XP miners during the quarter. On top of that, we secured additional hashrate capacity in June and July, which will come online throughout August. This gives us strong visibility into our capacity expansion for the second half and positions us to bring our total managed hashrate back to around 20 EH/s by mid-August.

Taken together, these efforts have continued to improve our platform's operational quality, resilience, cost efficiency, and commercial flexibility — laying a solid foundation for our next phase of growth in the second half. Separately, we are pleased to share that BitFuFu was named to TIME's 2026 list of the World's Growth Leaders and to the Fortune Southeast Asia 500. These recognitions are an encouraging validation of our team's efforts and further reinforce our standing in the global computing power infrastructure sector.

Navigating a challenging market environment during the quarter comes down to two core pillars: our differentiated business model and our continued discipline in operational execution.

First, our business model gives us a high degree of flexibility. Our "Cloud Mining plus Self-Mining" structure gives us the agility to dynamically reallocate capacity based on changing economics, customer demand, and expected returns across different cycles. During the second quarter, when the economics of certain third-party hashrate contracts no longer met our requirements, we proactively adjusted our procurement strategy and contract duration mix accordingly. We will never sacrifice unit economics simply to maintain headline hashrate. We have always believed that the quality and profitability of the hashrate we manage matter far more than scale for its own sake.

Second, our operational discipline and technical capabilities create a real cost moat. Throughout the quarter, we stayed focused on raising uptime, optimizing utilization, and refining our staffing and maintenance workflows. With support from our BitFuFuOS firmware system, we intelligently overclocked or underclocked our fleet in real time based on market conditions and power prices, dynamically managing large-scale energy consumption to protect our margins. Our average fleet efficiency stayed strong in the range of 17.8 to 18.1 J/TH throughout the quarter, a level that is highly competitive by industry standards. Maintaining this level of energy efficiency keeps our baseline production cost low through different market cycles, effectively helping to protect our margins against price volatility. We believe this cost advantage and structural resilience are what allow us to navigate cycles and build lasting value.

Looking at the broader Bitcoin mining landscape, the industry is undergoing a profound structural transformation. On one hand, Bitcoin price remained volatile in the second quarter, and the broader macro environment offered limited tailwinds for the industry. Overall operating conditions therefore remained challenging. At the same time, the competitive landscape within Bitcoin mining is becoming more differentiated and selective, as miners make increasingly divergent choices around capital deployment, power and hashrate management, and whether to continue operating mining infrastructure or transition those assets toward AI and HPC.

On the other hand, this structural evolution is also creating a more favorable long-term environment for high-quality miners that remain focused on Bitcoin mining. As a meaningful portion of U.S.-listed miners permanently

transition their power and infrastructure to AI data centers under long-term contracts, that capacity is unlikely to return to the Bitcoin network. This trend is already visible in the network data: Bitcoin network difficulty reached approximately 156 T in November 2025, while global network hashrate had declined by approximately 20% from its peak by late June 2026 and was approximately 14% below this year's high. For those of us who remain focused on Bitcoin, a less crowded network could support better operating conditions and further improvement in profitability and cash flow stability.

For BitFuFu, despite market cycles and short-term headwinds, our core conviction hasn't changed. We remain confident in the long-term value of Bitcoin as an underlying digital asset, and we continue to see strong global demand for high-quality computing power and mining infrastructure. We see BitFuFu as more than a mining company — we are building and continuously optimizing an infrastructure platform that supports the broader digital economy. Our responsibility is to manage these resources proactively and efficiently as the environment evolves, stay focused on what we can control, and create long-term value for our shareholders.

The actions we took in the second quarter have also given us greater visibility and certainty heading into the second half of the year and beyond. Looking ahead, we will continue to closely monitor global power markets and evaluate opportunities in high-quality infrastructure and hashrate capacity, focusing on areas where our operating capabilities can give us an advantage. The macroeconomic environment and Bitcoin prices remain important inputs to our capital allocation decisions, and we will stay open to high-quality opportunities that fit within our risk framework. With efficient infrastructure, core power resources, and strong operating capabilities, we believe BitFuFu holds meaningful long-term option value and the flexibility to act when the next set of opportunities emerges.

Ultimately, our strategy remains consistent with the principles we have outlined over the past several quarters: build a business model that can operate through different cycles, manage risk actively, continuously improve efficiency, and deploy capital toward areas that can generate the best long-term returns.

I will now turn the call over to Calla to provide more details on our financial results.

Calla Zhao

Chief Financial Officer, BitFuFu, Inc.

Good morning, everyone and thanks, Leo.

Now, let's look at the second quarter's financials. I'll cover the following points: revenue, cost and profit, balance sheet and capital actions.

Compared to the same period last year, our total revenue and cloud mining revenue declined sharply. This decline was primarily driven by the sharp swing in Bitcoin prices between the two periods, as well as the different measures we took in response:

In Q2 2025, Bitcoin prices rose steadily — from roughly \$86,000 in April to over \$100,000 by June — which drove strong customer demand and encouraged miners to expand their capacity.

In contrast, Q2 2026 followed two consecutive quarters of price pressure, and in that environment, both customers and miners took a more measured approach — delaying new commitments until the outlook improves.

Given how different the market backdrop was between the two periods, we believe the more meaningful measure of our progress this quarter is whether we ran the business with discipline, maintained a healthy balance sheet, and stayed positioned to capture value as the market recovers.

That's our focus—and we're confident in the foundation we're building.

Cloud Mining Solutions remained our largest revenue source at \$24.9 million. This accounted for 58.3 percent of our total revenue. Client retention remains a priority: our cloud mining net dollar retention rate was 24.1% in Q2. We believe the decline in net dollar retention was primarily driven by existing customers reducing their

order volumes. This reflects lower Bitcoin prices and weaker mining economics during the quarter, rather than a proportional loss of our customer base. We are actively addressing this through product enhancements and service innovation to meet our customers' evolving risk preferences.

Self-Mining Operations contributed \$14.0 million, making it a relatively stable segment despite a 27% drop in the average BTC price. Increased allocated hashrate and improved efficiency helped offset the impact of lower prices.

Hosting and Other Services rose to \$3.9 million. This is a meaningful increase driven by the continued scaling of our 'Buy & Host' solution, which is now generating recurring revenue from clients seeking asset ownership and operational simplicity.

Turning to costs, our cost of revenue for the past quarter was \$43.7 million, decreased significantly from Q2 2025 but aligned with our scale adjustments. As mentioned in the first quarter's earnings, some high-cost hashrate procured during Q4 2025 has created pressure to the profit margin for the first half of this year. However, our procurement optimization efforts are already helping to mitigate this impact. We have locked in more cost-efficient hashrate at current market rates.

We also kept improving our operations. For example, at our mining site in Oklahoma, we worked closely with the power company. Through engaging in optimized curtailment programs, our electricity cost reduced to approximately 3 cents per kWh in June. This is a direct, measurable cost saving.

Net loss for Q2 was \$20.5 million. Fair value losses on our Bitcoin holdings and digital asset receivables and payables contributed \$16.9 million to the net loss. Excluding the fair value loss impacts, our Adjusted EBITDA would have been approximately negative \$1.5 million. This is a relatively contained loss given the scale of the revenue pressure this quarter.

As of June 30, 2026, our balance sheet remains strong and stable. Total cash and digital assets stood at \$119.5 million, compared to \$177.1 million at year-end. The decrease was primarily due to Bitcoin price depreciation and the prepayments we made to secure hashrate procurement. We expect these prepayments to translate into higher Bitcoin mining output over the coming year, supporting BTC holdings going forward. Total Bitcoin holdings were 1,671 BTC as of June 30, including 54 BTC pledged as collateral for loans. The amount of pledged BTC declined substantially from 357 BTC as of March 31 to 54 BTC as of June 30, because of our repayment of 10 million Bitcoin-backed loans and replacement of 3 million Bitcoin-backed loans with unsecured loans. Accordingly, we ended the quarter with \$5.4 million outstanding loans.

This quarter, we demonstrated our unwavering commitment to prudent capital management and shareholder protection through three key actions:

First, we completed the quarter with very limited equity issuance. In a volatile market, we chose not to dilute existing shareholders. Instead, we funded operations through operating cash flow, Bitcoin sales, and our credit facility. In addition, the Board's authorization to repurchase up to \$5 million of our Class A ordinary shares reflects our confidence in the long-term prospects of the business and our commitment to disciplined capital allocation.

Second, we repaid \$10 million in BTC-backed loans. This not only reduced our debt but also strengthened our financial resilience. This was a deliberate decision in Q2 — made to build a safer foundation for the next cycle. Third, we continued to invest in more efficient mining equipment, and secured additional capacity for the second half of the year. We added S21 units without compromising liquidity, as part of our shift toward longer-term, cost-efficient hashrate contracts. This is preparation for future growth, not a rushed expansion.

In summary, Q2 was another quarter of disciplined execution. We maintained a close focus on operating expenses, procurement and supply chain management, preserved liquidity, and maintained a strong balance sheet, even in a challenging market.

I'll now turn it back to Leo to close out the call.

Leo Lu

Chairman & Chief Executive Officer, BitFuFu, Inc.

Looking back at the second quarter, I believe we made several important advances that strengthen the foundation of the business for the next stage of our growth. We increased the contribution from our self-mining business, maintained strong fleet efficiency, continued to optimize our capacity mix, upgraded to more efficient mining equipment, and secured additional hashrate capacity ahead of the second half of the year. Together, these actions have further strengthened our operating foundation and better positioned us to capture new opportunities as market conditions improve.

Looking across the industry, we believe that as the market becomes more differentiated and selective, scale alone will no longer be the most important factor. The quality of infrastructure, operating efficiency, access to competitive power, and the ability to effectively manage hashrate across different market conditions will become increasingly important. At the same time, investors are paying closer attention to sustainable operating economics, execution, cash generation, and a company's ability to create value through different stages of the cycle.

Over the coming quarters, we will remain focused on high-quality execution while closely monitoring changes in network hashrate, power markets, Bitcoin prices, the broader macroeconomic environment, and the economics of the mining industry. While these factors will continue to present challenges, they will also unlock new opportunities. We intend to maintain total flexibility so that we can step in decisively when those opportunities offer proven economics and real strategic value.

Finally, I would like to thank our shareholders, customers, and partners for their continued support of BitFuFu. We will continue to build efficient infrastructure, strengthen our operating capabilities, and create long-term, sustainable value for our shareholders.

That concludes our prepared remarks. Thank you for taking the time to join us today, and we look forward to updating you again next quarter.

Operator: That does conclude today's conference call. Thank you for your participation. You may now disconnect your lines.