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PRESS RELEASE / IR NEWS

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Frankfurt/Main – 24 August 2023 – Northern Data Group (Ticker symbol German stock market: [NB2](#), ISIN: [DE000A0SMU87](#)) has made significant progress in implementing its ambitious growth strategy for its cloud solutions business, Taiga Cloud.

As announced in July 2023, Northern Data entered into an agreement (the “Investment Agreement”) with an investor under which Northern Data agreed to acquire Damoon Designated Activity Company, Dublin, Ireland, (“Damoon”) for a valuation of EUR 400 million, and the investor agreed to capitalize Damoon prior to completion of the acquisition with the funds needed to acquire latest-generation GPU hardware for a purchase price of EUR 400 million. The valuation of EUR 400 million for 100% of Damoon is equivalent to the purchase value of the associated hardware without any up-writing. In essence, on completion of the transaction, Northern Data will have acquired latest-generation GPU hardware for a value of EUR 400 million.

This hardware is to be deployed within Taiga Cloud and will, when deployed, substantially increase the compute power of that division.

Since the announcement of the Investment Agreement, Northern Data Group and the investor, a wholly owned company of Tether Group, are in the process of entering into a Contribution Agreement under which Northern Data Group, subject to customary reservations, will issue 10,478,826 new shares from the existing authorized capital in consideration for the investor’s sale to Northern Data Group of 48.07% of the investor’s shares in Damoon, and a second Contribution Agreement under which Northern Data will issue a mandatory convertible bond to the investor, which will be convertible into up to 4,763,051 new shares from the existing conditional capital, in consideration for the investor’s sale to Northern Data Group of a further 21.85% of the shares in Damoon. These two capital measures are in the process of being implemented and are expected to be completed during Q4 2023, following which Northern Data Group will hold a controlling interest of c. 70% in Damoon. The investor has signed a voluntary lock-up of 12 months and intends to be a long-term shareholder.

As previously disclosed, Northern Data Group has a unilateral option under the Investment Agreement, which can be exercised until 31 December 2024, to acquire the remaining c. 30% of shares in Damoon for cash or additional shares in Northern Data Group. Northern Data Group intends to exercise this option as soon as reasonably practicable in order to own 100% of Damoon and the associated latest-generation GPU hardware with a value of EUR 400 million.

Northern Data Group will continue to update the market as it works with Damoon to implement Taiga Cloud's growth strategy.

About Northern Data Group:

Northern Data Group (ETR: NB2) is a provider of energy efficient High Performance Computing (HPC) infrastructure to businesses and research institutions, utilizing GPU and ASIC-based solutions. Our flexible compute power fuels innovation in our three core business divisions: Taiga Cloud; Ardent Data Centers; and Peak Mining. Through our HPC infrastructure, we pioneer ambitious computing innovation that drives progress in the AI, ML and Generative AI industries. Our partnerships with industry-leading manufacturers including Gigabyte, AMD, and NVIDIA are fundamental to the acceleration of innovation across sectors including life sciences, financial services and energy.

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