

# Northern Data AG: Resolution on 20% capital increase against cash contributions secured by backstop agreement

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## Northern Data AG: Resolution on 20% capital increase against cash contributions secured by backstop agreement

**Frankfurt am Main, 15 July 2024** – Today, the Management Board of Northern Data AG (ETR: [NB2](#)) (“**Northern Data Group**” or “**the Company**”) has resolved, with the consent of the Supervisory Board, to increase the Company’s share capital (ISIN [DE000A0SMU87](#)) by issuing 10,699,446 new no par-value bearer shares (the “**New Shares**”), corresponding to 20% of the existing share capital, against cash contributions (the “**Capital Increase**”). The expected gross proceeds from the Capital Increase of approx. EUR 214 million are slated to be used to accelerate the growth of the Company’s cloud platform through additional investments in NVIDIA GPUs, and to expand the Company’s physical data center footprint across Europe and the United States. Management believes that these investments will support the Company’s position as a leader in high-performance computing by building the much-needed infrastructure required to power generative AI innovation.

To implement the Capital Increase, the Company intends to partially utilize the existing authorized capital, excluding statutory subscription rights of shareholders. However, the legitimate interests of all shareholders will still be preserved: The New Shares will be issued at an issue price of EUR 20.00 per New Share, representing a premium of approx. 1.7% compared to the volume-weighted average price in Xetra-trading on the last trading day prior to the announcement of the Capital Increase. Therefore, there will be no economic dilution of shareholders who do not participate in the Capital Increase. In addition, the Company will structure the Capital Increase in two steps to enable all shareholders with a shareholding of 50,000 shares or more known to the Company (the “**Major Shareholders**”) to participate in the Capital Increase:

1. In a first step, only Tether Investments Ltd., the majority shareholder of the Company, and an entity indirectly owned by Aroosh Thillainathan, CEO (together, the “Investors”) will subscribe to a portion of the Capital Increase corresponding to their current shareholding (i.e., 6,302,178 New Shares).
2. In a second step, the remaining New Shares will be subscribed for on a *pro rata* basis by those Major Shareholders who decide to participate in the Capital Increase and provide the required cooperation, with any unallotted shares also to be subscribed for by the Investors.

When approaching the Major Shareholders, the Company will comply with the relevant exemptions from the obligation to publish a prospectus under the EU Prospectus Regulation. Minority shareholders who are interested in maintaining their relative shareholding can acquire shares on the stock exchange at comparable conditions. The full placement of the New Shares is secured by a backstop agreement with the Investors, in which they have agreed to subscribe to any New Shares not allotted to, or subscribed for by, the Major Shareholders.

Each New Share will have a notional value of EUR 1.00 and full dividend rights as from 1 January 2023. The New Shares are expected to be issued and included in the existing listing of the Company’s shares on the Open Market (*Freiverkehr*) of the Munich Stock Exchange (m:access) during the upcoming weeks. Following the completion of the Capital Increase, the Company expects to ask for a renewal of the partially utilized authorizations in the context of the next general meeting, which is expected to take place in mid-September.

### ***Important note***

*This announcement is for compliance with applicable disclosure requirements only, and does not constitute an offer to sell, or a solicitation to buy or subscribe to, securities of Northern Data AG. No public offer has been or will be made and no prospectus will be published in connection with the transactions referenced in this announcement.*

*The New Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or with any securities regulatory authority of any state of the United States of America. The New Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States of America or any other jurisdiction where this would be unlawful.*

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End of Inside Information

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