

Northern Data increases equity and accelerates growth plans

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PRESS / IR RELEASE

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- **Strong increase in demand for high-performance computing (HPC) solutions opens up massive growth opportunities for Northern Data**
- **Dual strategy to scale compute power capacity: NVIDIA GPU cloud capacity in Europe and ASIC systems for BTC mining for international expansion**
- **BTC mining highly profitable again due to strong Bitcoin price**
- **Smart diversification of site strategy based on factors such as availability of low-cost electricity, grid connections, and expansion costs**
- **Gross proceeds of around EUR 32 million from capital increase to strengthen equity base and accelerate implementation of strategic expansion plans**

Frankfurt am Main – 13 April 2023 – Northern Data AG (XETRA: [NB2](#), ISIN: [DE000A0SMU87](#)) currently sees great opportunities in its three business divisions "Bitcoin Mining", "Cloud Solutions" and "Data Centre Infrastructure Solutions" thanks to a variety of macro factors - from a near doubling of the BTC price within a few months to a strong proliferation of a wide variety of AI applications and the associated demand for computing power.

To finance its ambitious growth plans and strengthen its balance sheet, Northern Data AG resolved to implement a capital increase excluding subscription rights this week Tuesday, with gross proceeds of EUR 32.27 million.

These new proceeds, plus potential long-term debt facilities for which Northern Data is in discussions, are to be mainly used for the purchase of ASIC servers for BTC mining and various GPU chips for cloud solutions. As a result of existing strong partnerships with hardware suppliers and large purchase volumes in the past, Northern Data was able to secure very favorable contracts on the latest generation of ASIC hardware and has paid deposits of USD 45 million on those orders already.

CEO Aroosh Thillainathan comments: “We have been very prudent in the past boom not to overextend our balance sheet and for example have not used any debt so far. As the demand for HPC solutions and therefore computing chips is rising again, it is the right time for us to anti-cyclically make use of our strong relationships with chip suppliers and set ourselves up for massive

growth, both in ASIC and GPU-based HPC solutions.”

ASIC-based BTC Mining

Northern Data makes an important contribution to the operation of the Bitcoin network and the ecosystem around the Bitcoin blockchain with its HPC infrastructure. Northern Data's management is optimistic about the development of the BTC price and aims to strategically develop its Mining Division into one of the leading BTC mining companies in the world.

Northern Data is currently in negotiations with infrastructure service providers, energy companies, and hardware suppliers to realize unique opportunities in Bitcoin mining. These include, among others, the scaling of water-cooled ASIC systems, supply contracts for efficient data center infrastructure, as well as access to off-grid green energy, with favorable prices and high availability.

Northern Data currently has 3.8 EH/s of computing power in ASIC-based BTC mining. With the deployment of the Company's current inventory of ASIC hardware, this key figure could be increased to approx. 4.7 EH/s. The gross margin in the Mining division - before holding costs and allocations - is around 40-50%, based on the current Bitcoin price.

With the Company's already secured supply contract for state-of-the-art ASIC systems, the Company expects to be able to expand the hash rate significantly beyond 4.7 EH/s in the medium term once additional suitable infrastructure is secured.

GPU-based Cloud Solutions

Due to energy price inflation in Europe, most of the Company's Bitcoin Mining operations have already been relocated to North America.

The sites in Europe will now focus on scaling GPU-based Cloud Solutions.

The data center in Boden, Sweden, is particularly noteworthy: In the full expansion stage, 25 MW of critical capacity can be managed in a high-performance and climate-neutral manner. Currently, around 2 MW of cloud computing power is in operation with the NVIDIA A100 Tensor Core GPUs. The Company's GPU-based HPC infrastructure is in a prime position to be rapidly scaled in line with key customer requirements.

CEO Aroosh Thillainathan adds: "I am very proud that our dual strategy, which we have been pursuing since 2020, is now paying off. Especially in 2020 and 2021, we have made large strategic investments into GPUs. Our vision has always been to build one of the largest GPU cloud computing clusters in Europe and to be the backbone for an ever-increasing demand for computing power needed for Artificial Intelligence, Machine Learning, and other similar computing-intense solutions. I am very proud that now our vision is coming into full play. Moreover, I am very excited that we were able to win Karl Havard, a proven industry expert, as Managing Director for our Cloud Solutions division with more than 15 years of industry expertise gained at hyperscalers like Google and AWS".

About Northern Data:

Northern Data firmly believes that High-Performance Computing (HPC) will — quite literally — determine what the future will hold. HPC has the power to unlock unprecedented potential and opportunities for research and development, business, and government. Our multinational organization is rapidly staking out a position of global significance in the area of GPU- and ASIC-

based solutions by designing and operating efficient, green HPC infrastructures. We offer a combination of intelligent, sustainable data centers, cutting-edge hardware and self-developed software for various HPC applications. These include bitcoin mining, blockchain technology, artificial intelligence, big data analytics, IoT, and graphics rendering. The Northern Data Group currently operates custom, large-scale data centers and proprietary mobile high-performance data centers. Northern Data's core shareholders are Apeiron Investment Group, Samara Asset Group (formerly Cryptology Asset Group), Block.one, BlackMars Capital, Krypto Ventures and the founders of the Company, who together represent approx. 70% of the voting rights.

Investor Relations:

Jens-Philipp Briemle
Head of Investor Relations
An der Welle 3
60322 Frankfurt am Main
E-Mail: jens-philipp.briemle@northerndata.de
Telephone: +49 171 557 6989

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Company: Northern Data AG
An der Welle 3
60322 Frankfurt/Main
Germany

Phone: +49 69 34 87 52 25

E-mail: info@northerndata.de

Internet: www.northerndata.de

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