

Northern Data releases its November 2022 results for the mining business and comments on the outlook

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PRESS RELEASE/IR MESSAGE

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- **Bitcoin hashrate rises to 3.28 EH/s (+24.2% month-on-month)**
- **210 Bitcoin generated in November 2022: -4.1% month-on-month because of lower Bitcoin mining luck rate globally**
- **Bitcoin revenue of EUR 3.7 million: -15.3% month-on-month (BTC price dropped 21% in November)**
- **Group revenue rises to EUR 188 million (unaudited) as of the end of November**
- **Expectation for fiscal year 2022: Confirmation of adjusted EBITDA range of EUR 40-75 million and annual revenue at the lower end of the guidance range of EUR 200-250 million, possibly slightly below (5%)**

Key performance indicators

	November '22	October '22	YTD '22
BTC generated	210 YoY: +13% / MoM: -4.1%	219 YoY:+55% / MoM: +28%	2,614
<i>Thereof hosting services (customers)</i>	9	10	184
BTC sold	227	217	2,794
Self-mining ASIC servers installed	35,808 (3.28 EH/s) MoM: +24%	28,809 (2.64 EH/s) MoM: +11%	
Utilization rate self-mining ASIC server	71% (2.25 EH/s)	75% (1.98 EH/s)	

Number of ASIC servers Hosting (customers)	7,728 (0.71 EH/s)	7,728 (0.71 EH/s)	
Utilization rate ASIC server Hosting	40% (0.25 EH/s)	35% (0.25 EH/s)	

All monthly figures are unaudited and may include rounding and billing differences for cryptocurrency production (*in particular, for hosting customers*).

Frankfurt am Main – 07 December 2022 – Northern Data AG (XETRA: [NB2](#), ISIN: [DE000A0SMU87](#)) today provided an update on its business activities in November 2022, reporting cash revenues from Bitcoin sales of approximately EUR 4.1 million in this month alone.

The company generated unaudited revenues of around EUR 188 million from the provisioning of computing capacity for crypto mining, infrastructure services, and the sale of hardware by the end of November. Northern Data generated 2,614 BTC and corresponding revenues of EUR 74.3 million from Bitcoin mining between January and the end of November 2022. The company plans to have 3.5–4.0 EH/s and thus a total of 36,000–42,000 ASIC miners (excl. hosting) in operation by the end of 2022. In addition, Northern Data still has some 13,000 miners (approximately 1.3 EH/s) in stock that can be ramped up during the coming months depending on the prospects for generating profits.

For fiscal year 2022, the company continues to adhere to its earnings guidance of EUR 40-75 million adjusted EBITDA despite the ongoing challenging conditions in Bitcoin mining and the developments in the cloud business. Despite the challenges and market situation mentioned below, the company now expects revenues generated in 2022 to be at the lower end of the guidance range of EUR 200-250 million, possibly slightly below (5%).

Northern Data expanded its Bitcoin mining business in 2022, and successfully held its ground in an environment that simultaneously was impacted by collapsing Bitcoin prices (YTD: -63%), extreme increases in electricity prices, and hashrate highs (YTD: +46%). Given the circumstances, the production of additional computing power for Bitcoins, and thus an increase in revenue, would only have been possible at a cost that exceeded the equivalent value of the Bitcoins produced. Unlike many of its competitors, the company has the advantage of being able to match the operating electricity with the yield of the computing power as it has forward-looking avoided fixed electricity purchase agreements.

The company has also been expanding its cloud computing capacity in fiscal year 2022 in a cautious, CapEx-friendly manner. While the opportunities and evolving customer relationships offered by cloud computing are promising, no substantial revenue increases are expected prior to fiscal 2023. Northern Data also intends to intensify its collaboration with NVIDIA to offer even more customers the benefits of Northern Data platforms in conjunction with the NVIDIA technology stack.

The EBITDA after adjusting for trading losses of EUR -36 million is expected to fall within the guidance of EUR 40–75 million thanks to careful profit management in Bitcoin mining in the second half of the year. The company’s prudent and flexible management of Bitcoin production has enabled it to confirm its EBITDA forecast despite market-related revenue declines.

Aroosh Thillainathan, CEO and founder of Northern Data, comments: “Our mining strategy enables us to cope with the current market situation in a more agile, efficient, and prudent manner. This is demonstrated by successfully installing additional ASIC miners again in November while many of our competitors were overindebted and struggling to survive. However, we too have held

back on growth investments in recent months due to the difficult economy and in order to prioritize our cash position. In this way, we conserved our liquidity and - at the expense of revenue growth - strengthened our strategic ability to act in this challenging market environment. We nonetheless confirm our adjusted EBITDA forecast of EUR 40-75 million, despite the fact that we were simultaneously hit with sharp increases in electricity prices, higher prices for economic goods, and declining cryptocurrency prices in 2022. In addition, we have already proactively continued to simplify our organizational structure, thereby significantly reducing our cost structure so that we can continue to respond flexibly to market developments in 2023. This also impacts cloud computing, where revenue expectations have been postponed to 2023 when attractive computing power solutions will be offered to customers in a new and more efficient structure. In this context, we are also looking forward to intensifying our strategic cooperation with NVIDIA.”

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.

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