

Northern Data Acquires Bitcoin Miner Bitfield N.V. to Become a Leading Global Bitcoin Mining Company with Some 33,000 Latest-Generation ASIC Miners

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PRESS RELEASE / IR RELEASE

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- Northern Data will acquire an equity interest of up to 100% (but not less than 86%) in Bitfield N.V. for a total enterprise value of up to approximately EUR 400 million and has signed binding purchase agreements with the major shareholders today. Northern Data's interest in Bitfield will ultimately be increased up to 100% under the same terms.
- Immediate access to the currently deployable ASIC mining hardware.
- ASIC hardware includes over 6,600 high-performance ASIC miners already in operation in a market in which mining hardware is in short supply.
- Commissioning schedule for deployment of another already available 26,000 brand-new miners, primarily at sites in North America, is expected to be completed by end of Q1 2022.
- Computing power is generated with zero emissions.
- The transaction will take the form of a EUR 400 million stock-for-stock deal involving the issuance of up to 5.1 million shares in Northern Data AG.
- The new shares will in part come from the use of the Company's registered authorized capital and will be issued exclusive of shareholder subscription rights. As a result, a substantial percentage of the Company's authorized capital will have been issued.
- Northern Data offers customers and investors a unique, complete array of high-performance computing services, which include the business segments Bitcoin Hosting and Services (third-party), Bitcoin Mining (for own account), Altcoin Mining (for own account) and Cloud Computing (third-party).
- The takeover will permit vertical integration of the Company's value-added chain in the mining area with a clear focus on ESG-compliant mining.

- **Northern Data is also currently working on further strategic moves that will enable the Company to become a leading bitcoin miner and mining infrastructure provider in North America.**
- **The new Guidance for 2021 calls for revenues in the amount of approximately EUR 180-220 million with EBITDA unchanged at approximately EUR 100-125 million.**
- **The Company currently expects to be able to release preliminary IFRS figures for the fiscal year 2020 by the end of September 2021 and publish its consolidated financial statements for FY 2020 thereafter.**

Frankfurt am Main - 27 September 2021 - Northern Data AG (XETRA: [NB2](#), ISIN: [DE000A0SMU87](#) / ISIN DE000A3E5EZ5), the leading value generator for HPC infrastructure solutions, and majority shareholders of Bitfield N.V. have finalized a transaction that involves the purchase of at least 86% of the shares in Bitfield and as a result indirect acquisition of some 33,000 ASIC miners sourced from a tier 1 vendor. The ASIC hardware includes 6,600 high-performance ASIC miners that have already been installed and are in operation in Northern Data's mobile high-performance data centers.

The takeovers of Bitfield and Decentric Europe a few weeks ago represent transformative events for Northern Data and its shareholders. Bitfield and Decentric Europe will provide the stepping stone for expansion of a growth strategy that calls for Northern Data, which operates on green energy and boasts a scalable cost structure, to become the leading value generator for HPC infrastructure solutions with a global presence. Further details on the expanded strategy will be provided when the preliminary figures 2020 are published.

The mining hardware already in operation is located at a site in the U.S.A. that features approximately 25 MW and innovative infrastructure solutions with 12 mobile high-performance data centers designed for optimum performance. Access to the hardware will mean strategic reinforcement of assets to complement Northern Data's existing infrastructure solutions for bitcoin hosting and services.

The transaction will take the form of a stock-for-stock transaction involving the issuance of up to 5.1 million shares in Northern Data AG (at the weighted average of the Xetra closing prices for the 60 trading days immediately preceding 22 September 2021), which will be executed upon the closing of the transaction. The new shares, to be issued exclusive of shareholder subscription rights, will in part result from the use of the Company's registered authorized capital. As a result, a substantial percentage of the Company's authorized capital will have been issued.

Installation of all ASIC miners acquired under the transaction, primarily at sites in Canada and the U.S.A., will be completed by the end of Q1 2022. At the current level of deployment, Bitfield's sites represent approximately 0.7 exahashes of mining power. Upon completion of installation by the end of Q1 2022, Bitfield's computing power for bitcoin mining will total approximately 3 exahashes. Northern Data will therefore then have approximately 6 exahashes of mining capacity under management, including that of its hosting customers. This figure also includes the up to 10,000 ASIC miners scheduled for delivery to the Company's hosting customer Digihost by the end of 2021. This provides a further demonstration of Northern Data's ability to scale upward and rapidly achieve operational availability, while at the same time giving customers access to first-class HPC infrastructure solutions.

The uniquely favorable economic conditions in the current mining environment combine with attractive mining profitability to create a further earnings driver for Northern Data in the future. The Company intends to take advantage of the free cash flow generated by the transaction to invest in further growth. This will include an increase in the number of ASIC miners and GPU server

systems, expansion of the inventory of innovative data center infrastructure and establishment of new production sites.

"The takeover of Bitfield is an important pillar of our scalable growth strategy. With this acquisition, we add Bitcoin mining to our three existing businesses - Bitcoin hosting and services, Altcoin mining and Cloud Computing - and achieve an even greater increase in value, not least of all because of the trend in mining profitability. For me, it is a great pleasure to welcome the great team of Bitfield to Northern Data and I am excited to pursue our success story together," says Aroosh Thillainathan, Founder & CEO of Northern Data AG.

Outlook for Financial Year 2021

Northern Data will start to generate revenue and the corresponding EBITDA immediately upon execution of the transaction, the closing of which is scheduled for the coming weeks, with Northern Data's stake in Bitfield to be further increased to up to 100%.

Management currently expects revenues for 2021 in the amount of EUR 180-220 million and EBITDA unchanged in the amount of EUR 100-125 million from its Bitcoin hosting and service business as well as from the acquisition of Decentric Europe B.V. and Bitfield N.V. and the resultant realignment of operations. This guidance is based on various factors that include, for example, expected interpretation of IFRS effects, certain assumptions concerning Bitcoin and Ethereum mining profitability as well as scheduled hardware deliveries and site performance. The operating EBITDA forecast takes into account Northern Data's current operations, but neither the positive one-time effects of the sale of the Texas site nor the current business year of Whinstone US Inc.

Guidance for 2021 covers the following operations that Northern Data intends to report on in the future in the context of its IFRS reporting:

- 1) Bitcoin Hosting and Services (third-party)
- 2) Bitcoin Mining (for own account),
- 3) Altcoin Mining (for own account) and
- 4) Cloud Computing (initial revenues in 2022).

Northern Data's consolidated financial statements for the year 2020 are still under audit by KPMG Wirtschaftsprüfungsgesellschaft, the auditing firm appointed at the Annual Shareholders' Meeting. The Company currently assumes that it will be able to release preliminary IFRS figures by the end of September 2021 and publish its consolidated financial statements for FY 2020 thereafter.

Northern Data's Management will offer a strategy presentation in English for institutional investors and analysts as part of its presentation of preliminary 2020 results.

Greenhill is serving as exclusive financial adviser to Northern Data. Gleiss Lutz is acting as legal counsel to Northern Data.

About Northern Data:

We at Northern Data are firmly convinced that High-Performance Computing (HPC) will unlock unprecedented potential and opportunities for research and development, business and, ultimately, human progress. Our multinational organization is rapidly staking out a position of global leadership in the area of GPU- and ASIC-based solutions by designing and operating ultra-efficient, green HPC infrastructures. We offer a unique combination of intelligent, sustainable data

centers, cutting-edge hardware and self-developed software for various HPC applications such as 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 for unparalleled site selection flexibility and employs a workforce of some 200 people in seven countries.

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