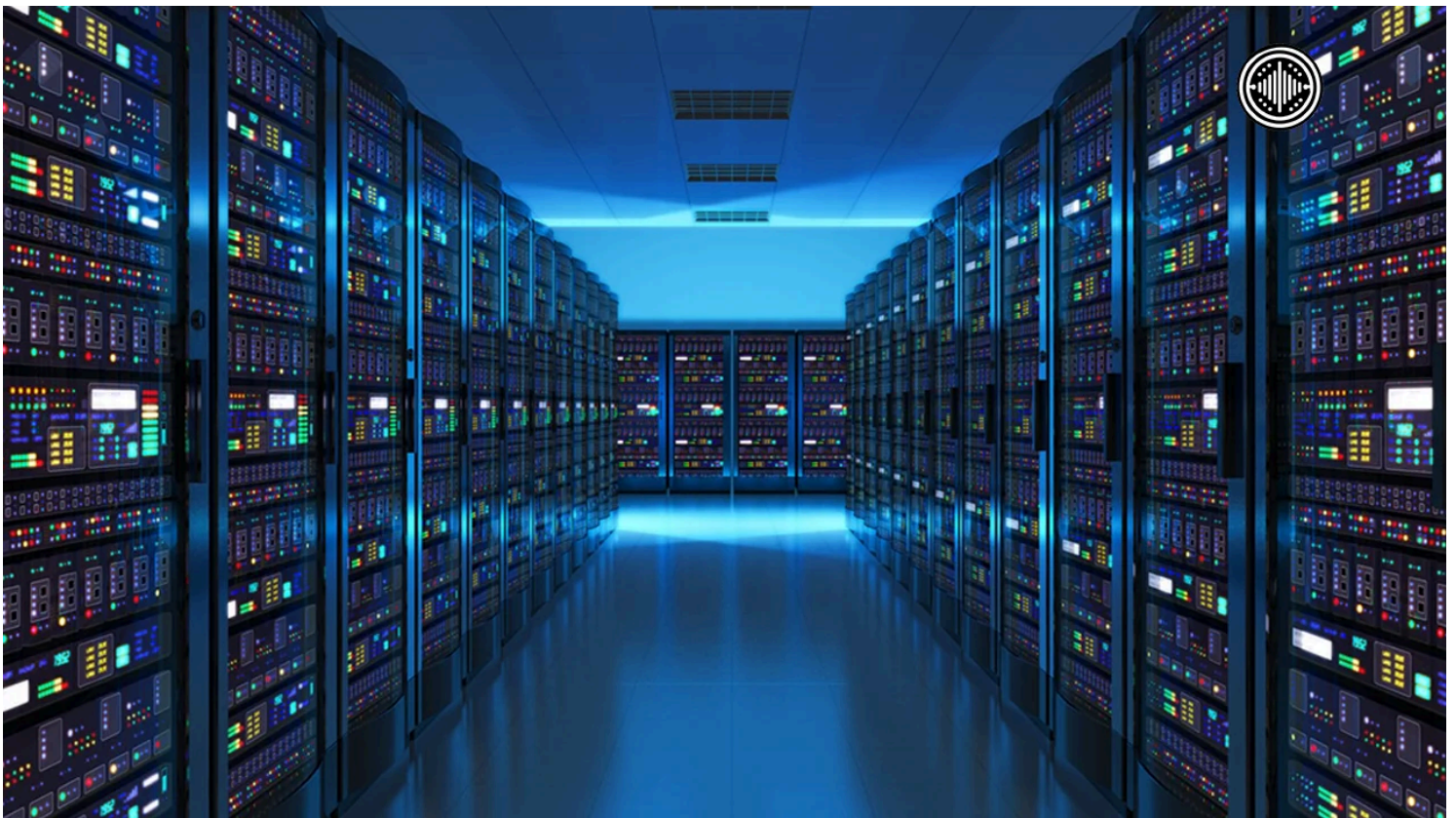


Hyperscale Data Secures Financing Agreement of Up to \$100 Million with Ault & Company

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– Categories: Finance



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Hyperscale Data, Inc. (NYSE American: GPUS) has announced the signing of a financing agreement with Ault & Company, Inc., a related party, that provides for up to \$100 million in funding. The capital will be used to support data center expansion, address existing debt obligations, and strengthen general working capital needs. The investment reflects

continued support from Ault & Company, which has previously contributed approximately \$51 million to Hyperscale Data.

Under the Securities Purchase Agreement, Hyperscale Data will issue up to \$100 million in Series H Convertible Preferred Stock. Each preferred share will carry a stated value of \$1,000 and rank senior to all other classes of preferred stock except for the Series C and Series G Convertible Preferred Stock, with which it ranks equally. The Series H shares are also senior to the company's Class A and Class B common stock.

Upon receiving stockholder approval, the preferred shares will be convertible into common stock at the greater of \$0.10 per share, a set floor price, or the lesser of either \$0.79645 or a 5 percent premium to the volume weighted average price over the five trading days leading up to conversion. The conversion structure includes protections for shareholders, such as full ratchet anti-dilution provisions and standard adjustments for actions like stock splits or dividends.

The preferred shares will carry a 9.5 percent annual dividend, payable in Class A common stock during the first two years. According to the company, this financing is crucial for expanding its Michigan (MI) data center and enhancing its high-performance computing infrastructure, particularly in support of artificial intelligence services.

Executive Chairman of Hyperscale Data and CEO of Ault & Company, Milton "Todd" Ault III, expressed strong confidence in the company's long-term value. "That A&C is willing to invest an additional up to \$100 million should be a clear indicator of our belief that the market has been undervaluing the company," Ault stated. He emphasized the strategic importance of the company's core businesses, including data centers, a crane company, and a lending firm, as essential to its sustained growth.

The financing is structured to occur in multiple closings through the end of 2026, though these dates may be extended by Ault & Company as stipulated in the agreement. Finalization of the transaction, particularly conversions exceeding 19.99% of outstanding shares, remains contingent on regulatory approvals and stockholder consent, in addition to A&C's financing arrangements.

Details of the financing and issuance of securities will be included in an upcoming Form 8-K filing with the United States Securities and Exchange Commission (SEC). The issuance of

the preferred stock is being made under the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933.

This announcement does not represent an offer to sell or a solicitation to buy the securities, and any potential offering will be subject to applicable securities laws in relevant jurisdictions.