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Joining us today, we have Romain Nouzareth of SATO Technologies Corp, which trades on the OTCQB venture market under the ticker CCPUF and on the TSXV under the ticker SATO. Welcome.

Romain Nouzareth

Thank you very much. I'm very glad to be here, Matt.

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Great to have you. So, Romain, as I said, I always like to start by you know asking you to tell us, our listeners, a little bit about yourself, your background, and what led you to co-founded SATO Technologies.

Romain Nouzareth

Well, it's very simple. I'm a tech entrepreneur for the past 25 years, almost 30 years. I started in France. Some people say I have an accent.

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I don't hear it.

Romain Nouzareth

I moved to New York 24 years ago for one of my company a tech companies at the time. And I love the city and I stayed there. In 2017, I decided to start mining bit Bitcoin and with is my brother, Matthew, who was my co-founder of all of my companies and also other tech people in New York. And we found an amazing place, which was Quebec. And we started to run 20 megawatts of energy for high density compute. And we've been doing this for the past years, but mainly the most important and the most fascinating part that we are doing in our world is to develop AI factories. It's a new type of data center. It's very similar to what we do in terms of Bitcoin mining, because we manage a lot of energy with lots of density over the compute. And we are doing it in Quebec right now. And we just announced an expansion outside of the frontier of Quebec, which is the Kingdom of Bhutan, where

they have an amazing energy, very similar to what we have in Quebec, because it's hydro energy. So that's what I've been working on for the past few years. I love it. I don't think there is something more interesting to do in the world right now. Maybe rockets go to space, but that's another subject.

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So talk to me a little bit more about SATO. If a layman who doesn't know anything about AI or energy were to ask you, how would you sum it up to them?

Romain Nouzareth

So, we manage energy and we are transforming it into computing power. That's our job. So, we take something raw, very strong, very big, and we make it a compute. And by compute, it's really running computers. And energy, as you know, is heat. When you manage heat, you need to make sure that you manage energy; you need to make sure that you can manage heat at the same time. So, you need to develop data centers that are well done and very efficient at all the level of this transformation from energy to compute. And by doing so, you learn all of the ins and outs of the industry and how to be efficient at every level. That's what we've been doing for the past almost 10 years. And that's really what we do at SATO Technologies. So, we started in 2017. First, it was more like a side project for us that we developed. But it's really in 2021 that we decided to go big and decided to be public. First, because we wanted to bring transparency to an industry that is not always very transparent. Also show governance and show to the government and the energy providers we were working with that we are serious people and we are here for the long term. And also, because we wanted to have access to more capital by doing so and give a chance to shareholders to participate in the success of the company.

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Now, when you talk about these data centers and the energy, are we talking about the same sort of data centers that provide the power to OpenAI or Claude or ChatGPT? And is this the water that flows through to cool all the data centers down? Is that the same thing or is that something different?

Romain Nouzareth

It is the same thing in the sense that OpenAI, Anthropic or Claude could be our clients for the type of data centers that we are operating. Before going to the question of water, which is very interesting and a central piece of what we do, I want to explain a little bit of a difference in the data center world between what we see and what it is really for AI. In the traditional data center, Amazon, Google, Facebook, it's a lot of computers. Who are each doing one task. And in AI Factory, it's a lot of computers that are doing one unique task. So, it's made of lots of computers doing different tasks. taking your pictures, showing you music, et cetera. With an AI factory, it's one big brain. It's one big computer. So, you need to think about it, and you need to do it differently than what we are traditionally seeing into the yeah traditional data center. So, you need to redo it almost from the beginning in the way you manage your compute. One of the aspects of the AI factory is what we call the density of compute. You need to pack lots of computers close to each other so that they can work as one. It's the best way to do it. So, at the same time, you have an effect where the chips, the GPUs are more efficient, and at the same time, they're also consuming more energy. When they consume more energy, again, energy is heat. They produce more heat. So, you need to find ways to extract this heat from the compute that is produced with the energy that is used by the compute. And the way to do it before was to use air cooling. So basically, you would have an AC system, climatization into your factory or your data center, and you will run power also to run this kind of equipment, and you will exhaust the heat outside a little bit like what you have in your apartment when you have an AC. The new way that has been developed for the past few years is what we call liquid cooled. And liquid cooled is very interesting because it's a system by which you have a little bit of water or liquid flowing at the chip level. We call it direct to chip cooling. And it's really the best way to exhaust the heat from the compute that is running into your AI factory. Until the last iteration of the GPUs, this yeah liquid cooling was producing heat that was exhaust. Now in the new chip, the Vidarabineshe one that has been announced and currently released by NVIDIA, the liquid cooling works at around 35 Celsius, degree Celsius. It means that you need very much less cooling than before. And on top of that, it works at the closed circuit, meaning you don't need to add more water, a little bit like your swimming pool. Once it's full, you don't need to worry add water all the time. And on top of that, depending on where you are, like in Quebec, for example, where we are, where it's cold most of the time, you can use the outside of the cold to reduce your heat consumption by using the natural element, which is what we are doing in Quebec. And I would even add one more thing, extremely fascinating also, is that we have developed ways to reuse the heat that we produce. So, from one thing, the energy, we are producing two things, compute and heat.

And the heat, we can reuse it. Different kind of usage that we can put in place. One, heating factories, heating industries, plugging into a municipal heating solution. It happens a lot in Finland. It has been done in Vancouver. We could also develop interesting new projects like a swimming pool, water complex. If you run like us, for example, 20 megawatts of energy, you will produce around 20 megawatts thermic of heat. It's a lot. You can also do vertical farming, for example. And all of these uses are currently being developed by people like us who want to be conscious, efficient with the energy that we use to really make sure that what we develop will be done well in the long run and not be an issue for society.

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So, what's the... So now let's talk about your recent milestones. I assume a lot of this has to do with what you're doing and or with the deal you made with the Bhutan. Is that correct?

Romain Nouzareth

That's correct. I mean, first, we are doing it in Quebec right now. The energy is something that we run. The compute is running. We are already reusing our heat to do it well. We also use our energy in a way that we can curtail our compute. Which is interesting because it's also a way where you can flatten the curve for the energy level so that you don't you don't have on and off. And it's a way to give back the energy to the population around us, what they need it. In Quebec, it's mainly during winter. So, we've been developing this, again, for almost nine years. And two days ago, on Monday, we are announced a new deal in Bhutan, which is extremely interesting. Let me give you the yeah, the basics of it. So, it's 100 megawatts of energy that can go to 500 megawatts, and it's in a place called GMC, which is a Gelephu Mindfulness City. And it's a project that has been originated by His Majesty the King of Bhutan. And it's kind of an administrative region where they want to develop business with incentives, but at the same time be conscious and environmental. And the idea is to use the energy and hydro energy that they have in the country. They are producing gigawatts of hydro energy that currently they are selling to India. And instead of them to sell energy to India, they want to sell compute to India, which is a way more, a better way to sell value-added product. And we are here to develop this data center for them, with them, in this new province.



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Great. Congratulations on the recent deal.

Romain Nouzareth

Look, it's a deal that was initiated by my brother, Matthew, and also is eminence Karu Rim Pushsh with who is from a Buddhist tradition, very well connected and and the driving force or founding force behind the project. So, we just announced an LOI. We are we have not developed the site yet, but it's a project that is starting, and we are bringing our knowledge from Quebec to Bhutan.

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Congratulations.

Romain Nouzareth

Thank you.

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So, let's shift a little bit now and I want to talk about your capital market view on OTCQB. Can you talk a little bit about your trading on OTCQB over the past couple of years? What have you seen and what are you looking forward to seeing with this new deal and any new news coming out?

Romain Nouzareth

Sure. So, the reason why we wanted to be listed in the US first was to get access to US investors. But we also see that as a way to understand the dynamics of the market before a possible uplisting, which as you know is something that people or companies in listed in Canada can do and have done before. And it's a way for us to understand the dynamics and the volume we can get and the kind of like price point we can get access from or to in combination with what we have on the TSXV. Right now, the stock price is really undervalued. I don't know any CEOs who would say that their company is overvalued anyway. But we are still seen, as I would say, as a Bitcoin miner and not yet as an AI factory



provider. so we are before the repricing, I believe. And we really hope to see more action, not only in the price, but also on the volume on both sides of the border.

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Great, Romain. Well, listen, I'm looking forward to hearing more of your story as it develops. And lastly, I do always like to ask and if investors want to learn more about your story, want to talk to you about your stock or just you know the new deal, what's the best way for you for them to get in contact or stay on top of news for SATO Technologies?

Romain Nouzareth

Well, if they want to talk about the stock, the best way is to get access to Edgar.com. and have access to a service, CEDA, I was thinking too much of the U.S., CEDA in Canada, and they get access of all the information. They can get about like a financial statement and our website. Everything has been published. Everything is transparent. MDMA, a financial statement for the past five years now. That's really the best way to get all of the information about the company. They can also reach me directly. I'm very open. I'd like to have an open channel with people, of course, to talk about like what has been announced. They can find me from our website, www.bySATO.com, B-Y-S-A-T-O.com. And on there, they can find my LinkedIn. I think can find my X. That's the two channels that I use the most to communicate. Everything is open. Reach me out. I'd be happy to have a discussion about the subject.

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Wonderful, Romain. Thank you very much for coming in today. and We really appreciate it. Again, we had Romain Nuzaret, CEO and co-founder of SATO Technologies Corp, which trades on the OTCQB under the ticker CCPUF. Thanks a lot again.

Romain Nouzareth

Thank you.