



APPLIED DIGITAL

INVESTOR FACT SHEET DECEMBER | 24

COMPANY OVERVIEW

Applied Digital (Nasdaq: APLD) is a pioneer in developing next-generation, purpose-built Data Centers. Their solutions are transforming accelerated computing and Artificial Intelligence (AI) infrastructure, setting the foundation for the future.

HPC Data Centers	Provides hosting infrastructure through purpose-built High-Power Computing (HPC) data centers for the new wave of technological platforms and services
AI Cloud Based Services	Applied Digital offers accelerated cloud computing Graphics Processing Unit (GPU) servers to support AI and Machine Learning (ML) companies.
Blockchain Data Centers	Provides hosting infrastructure (power and maintenance) to blockchain companies

COMPANY HIGHLIGHTS

Different by Design

Capacity is our best asset. Innovators trust Applied Digital's next-gen infrastructure solutions for their enterprises because of the flexible, state-of-the-art design, reliability, and power. The AI revolution demands infrastructure that delivers optimized performance, scalability, and energy efficiency to drive innovation, competitiveness, and sustainable growth.

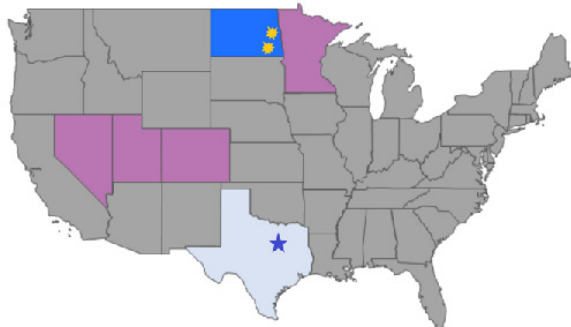
400 Megawatts
IN ACTIVE CONSTRUCTION

480+ Megawatts (MWs)
CONSTRUCTED IN 18 MONTHS

2 Gigawatts
FUTURE SITE PIPELINES



DATA CENTER LOCATIONS



★ DALLAS, TEXAS HEADQUARTERS

CUSTOM BUILT HPC DATA CENTERS	
REGION	TOTAL POWER
NORTH DAKOTA JAMESTOWN	9MWs
NORTH DAKOTA ELLENDALE	Up to 600MWs
Pipeline	1+ GW
APPLIED DIGITAL CLOUD	
MINNESOTA	1.5MW
UTAH	12.5MW
NEVADA	7.5MW
COLORADO	2.25MW
BLOCKCHAIN DATACENTERS	
NORTH DAKOTA JAMESTOWN	~106MW
NORTH DAKOTA ELLENDALE	~180MW

OFFERING SIZE:

\$62.5 Million

SHARE PRICE:

\$1,000 - Per Share

INCOME¹:

9% annualized
cumulative dividend

Intended to be paid monthly

LIQUIDITY²:

Liquidation senior to all classes of Common Stock and any other class or series of equity securities

Average Daily Trading Volume =
14.6mm shares (\$104mm)

REDEMPTIONS

Liquidity from Day 1 with a 3 year
declining redemption fee.

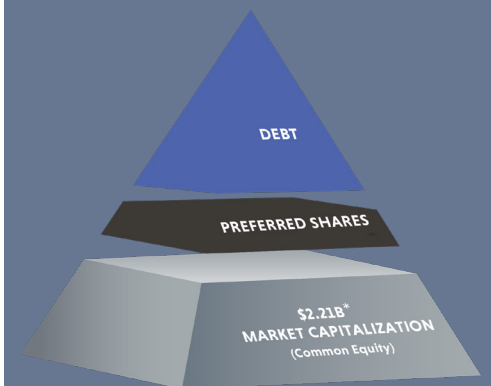
9%, 7%, 5%

Issuer may redeem in cash or common stock

PREFERRED SHARES ARE SENIOR TO COMMON STOCK

There is a **\$2.21B** buffer of common equity subordinate to the Preferred Shareholders

Aligned Interests – management and employees own **19%** of Applied Digital's common equity



* AS OF NOVEMBER 25, 2024



APPLIED DIGITAL

1. Dividends are not guaranteed and are intended to be paid out of funds legally available, as authorized by the Board of Directors. If not so paid, dividends will accrue automatically. The stated dividend rate on the Series E-1 Preferred Stock is 9% per annum of the Stated Value.
2. As of November 18, 2024. The amount of Preferred Stock liquidation preference is fixed and you will have no right to receive any greater payment regardless of the circumstances. Our obligations to pay dividends or make distributions and, in the event of our liquidation, to make liquidation payments in respect of the Preferred Stock, is subordinate to existing and future debt indebtedness or to a future class or series of equity securities, which is senior to our Preferred Stock.
3. Senior securities, including our Preferred Stock, are exposed to the typical risks associated with an investment in us, including the risks related to our business, industry, and operational results. Please review the "Risk Factors" Section of the Prospectus for details on the risks associated with an investment in the Company.

Information as of November 2024. An investment in our securities involves a high degree of risk and uncertainty. There is no assurance that our investment objectives will be met and you could lose part or all of your investment. Investors will be indirectly subject to the following fees and expenses paid by the Company as part of the offering: selling commissions, dealer manager fees, and other offering expenses. Investors should consider the investment objectives, risks, charges and expenses of the Company carefully before investing. This information is not legal or tax advice. Investors should discuss the tax risks associated with this offering with their qualified tax professional.

Important Risk Factors: You should carefully consider the information set forth in the "Risk Factors" section of the Prospectus for a discussion of material risk factors relevant to an investment in the Company, including but not limited to the following:

- **Liquidity Risk.** There is no public market for the Company's Series E-1 Preferred Stock (the "Preferred Stock"), and we do not expect one to develop. There is limited liquidity and there are restrictions on transfer on the Preferred Stock.
- **Best Efforts Offering Risk.** The dealer manager is Preferred Capital Securities, LLC, member FINRA/SIPC. The dealer manager is not required to sell any specific number or dollar amount of the Series E-1 Preferred Stock but will use its "best efforts" to sell the Series E-1 Preferred Stock offered. There is no minimum offering requirement for this offering.
- **Company Risk.** Senior securities, including our Preferred Stock, are exposed to the typical risks associated with an investment in us, including the risks related to our business, the digital asset and data infrastructure industry, and operational results. Please see the "Risk Factors" section of the Prospectus entitled "Risks Related to the Company" for details on the risks associated with an investment in the Company. We are at an early stage of development of our digital infrastructure and hosting business, currently have limited sources of revenue, and may not become profitable in the future. There is no assurance the stated Company objectives will be met. Past Company performance is not indicative of future Company performance.
- **Dividend Risk.** The Preferred Stock pays dividends at a fixed rate. The stated dividend rate on our Series E-1 Preferred Stock is currently 9.0%. Dividends on our preferred stock, including the Series E-1 Preferred Stock, are discretionary by our board of directors. There is no guarantee that the Company will be able to pay dividends in the future at any particular rate or otherwise. Holders of the Preferred Stock will bear dividend risk. We may be unable to pay dividends on the Preferred Stock under some circumstances. In addition, the terms of any future indebtedness we may incur could preclude the payment of dividends in respect of equity securities, including the Preferred Stock, under certain conditions.
- **Dilution Risk.** Your Preferred Stock interests could be diluted by the issuance of additional preferred stock, including additional shares of Preferred Stock, and by other transactions.
- **Conflicts of Interest Risk.** Various actual and potential conflicts of interest exist with management and certain service providers which may be detrimental to stockholders. Such conflicts may involve compensation arrangements, the payment of fees or engagement of affiliated service providers on our behalf. The Company has retained Preferred Shareholder Services, LLC, an affiliate of the Dealer Manager, to act as its agent to procure or otherwise deliver certain administrative services for the benefit of the Company for a Servicing Fee.
- **Company Redemption Risk.** The Preferred Stock will be subject to a risk of early redemptions at our option and holders may not be able to reinvest their proceeds.
- **Economic Risk.** Prices of fixed income investments tend to vary inversely with changes in market yields. The market yields on securities comparable to the Preferred Stock may increase, which would likely result in a decline in the value of the Preferred Stock. Additionally, if interest rates rise, securities comparable to the Preferred Stock may pay higher dividend rates and holders of the Preferred Stock may not be able to sell the Preferred Stock at the Liquidation Preference and reinvest the proceeds at market rates.
- **Rating Risk.** The Preferred Stock has not been rated and there is no guarantee it will ever be rated.
- **Early Redemption Risk.** If the holder elects to redeem their Preferred Stock, the Preferred Stock may be redeemed in either cash or Company common stock and, such redemption is subject to an early redemption fee of 9%, 7%, or 5% as a percentage of the \$1,000 per share stated value of the Preferred Stock if it is redeemed by its holder within three years of its issuance.
- **Common Stock Redemption Risk.** Preferred Stock may be redeemed for shares of common stock, which rank junior to the Series E-1 Preferred Stock with respect to dividends and upon liquidation, dissolution or winding up of our affairs. The price of our common stock may fluctuate significantly during calculation and settlement of a holder redemption and this may make it difficult for you to resell the Preferred Stock or common stock issuable upon redemption of the Preferred Stock when you want or at prices you find attractive.
- **Liquidation Risk.** The amount of Preferred Stock liquidation preference is fixed and you will have no right to receive any greater payment regardless of the circumstances. Our obligations to pay dividends or make distributions and, in the event of our liquidation, to make liquidation payments in respect of the Preferred Stock, your position will be subordinate to existing and future debt indebtedness or to a future class or series of equity securities which is senior to our Preferred Stock.
- **Forward-Looking Statement Risk.** This material contains forward-looking statements relating to the business and financial outlook of the Company, that are based on the Company's current expectations, estimates, forecasts, and projections, and are not guarantees of future performance. Actual results may differ materially from those expressed in these forward-looking statements, and you should not place undue reliance on any such statements. A number of important factors could cause actual results to differ materially from the forward-looking statements contained in this material. Investors should not place undue reliance on forward-looking statements. Forward-looking statements in this material speak only as of the date on which such statements were made, and the company undertakes no obligation to update or revise any such statements whether as a result of new information, future events or otherwise.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED ANY OFFERING OF THE COMPANY. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED HEREIN. AN OFFERING IS MADE ONLY BY THE PROSPECTUS. THIS MATERIAL MUST BE PRECEDED OR ACCOMPANIED BY A PROSPECTUS. YOU SHOULD READ THE PROSPECTUS IN ORDER TO UNDERSTAND FULLY ALL OF THE IMPLICATIONS AND RISKS OF THE OFFERING OF SECURITIES TO WHICH IT RELATES. AN INVESTMENT IN THE PREFERRED STOCK SHOULD BE MADE ONLY AFTER CAREFUL REVIEW OF THE PROSPECTUS.



Preferred Capital Securities, LLC
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