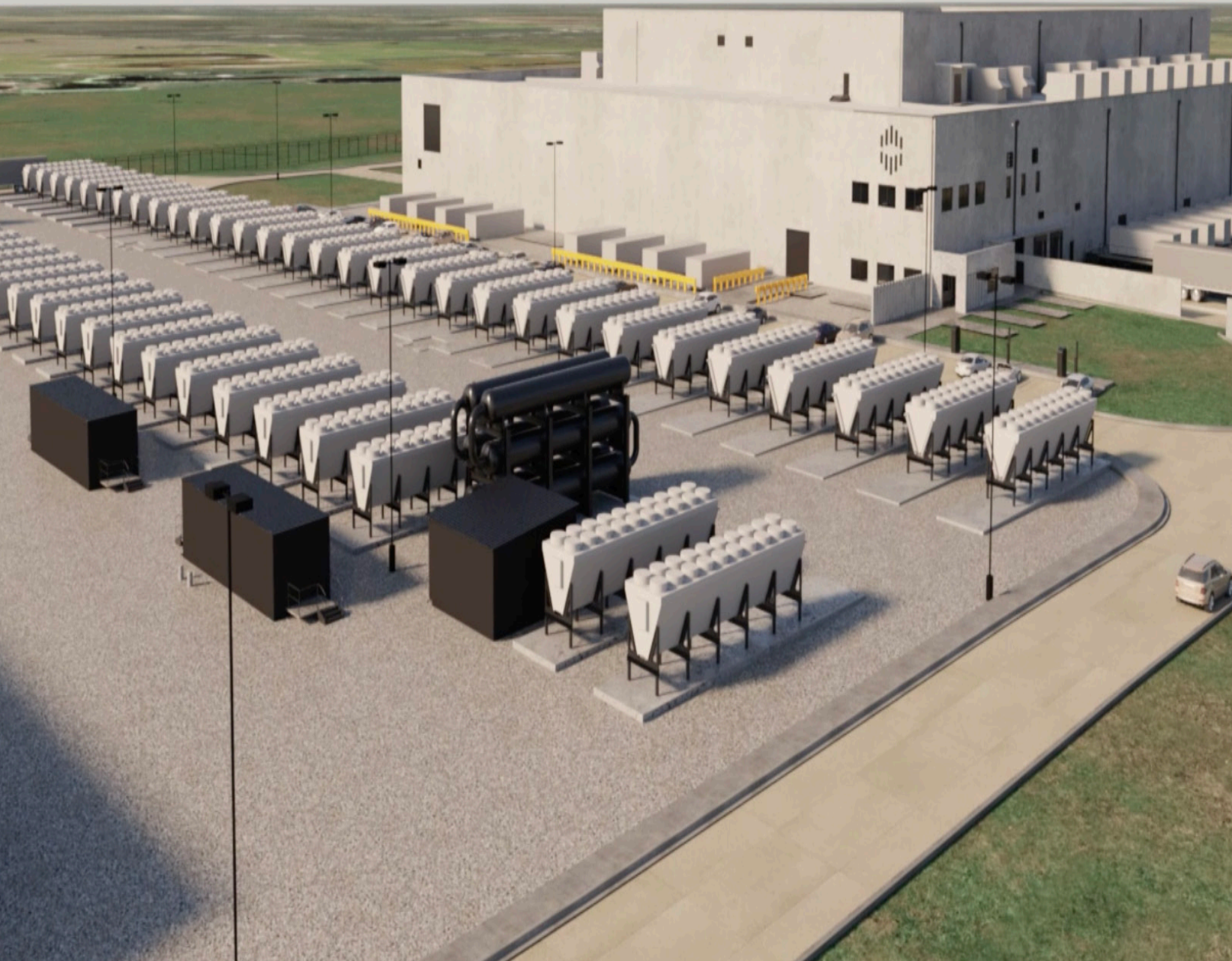


APPLIED DIGITAL



## COMPANY OVERVIEW

### Applied Digital: Constructing the Epicenter of AI

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.

Their greatest asset lies in energy and fiber capacity. Innovators rely on Applied Digital's advanced Data Centers and infrastructure solutions due to their flexible, cutting-edge design, reliability, and robust power supply. As the AI revolution unfolds, it requires infrastructure that maximizes performance, scalability, and energy efficiency—driving innovation, competitiveness, and sustainable growth.

## MANAGEMENT TEAM



**Wes Cummins,  
Chairman & CEO**

Wes Cummins is the Chairman and Chief Executive Officer. He brings a steadfast vision for growing dynamic, high-value companies with over 20 years of experience as a technology investor.



**Saidal Mohmand,  
CFO**

Saidal Mohmand is the Chief Financial Officer with experience in financial strategy and capital market initiatives.



**David Rench,  
CAO**

David Rench is the Chief Administrative Officer, with experience leading the full spectrum of accounting, budgets, financial analysis and forecast planning.



**Michael Maniscalco,  
CTO**

Michael Maniscalco is the Chief Technology Office. With expertise in leveraging advanced technology, he integrates cutting-edge technologies, bringing innovative concepts to reality.

## COMPANY HIGHLIGHTS

In most industries, companies generate supply and then search for demand. However, the AI revolution demanded a complete overhaul of digital infrastructure to accommodate the immense compute workloads of AI.

### Enter Applied Digital.

Applied Digital's Data Center Solutions are designed specifically to meet the needs of high-performance computing applications, including AI and machine learning (ML).

**19%** COMMON STOCK OWNED BY  
MANAGEMENT AND EMPLOYEES

**480+** Megawatts (MWs) CONSTRUCTED  
IN 18 MONTHS

**400** Megawatts  
IN ACTIVE CONSTRUCTION

**2** Gigawatts FUTURE SITE PLANS

## ■ THE APPLIED DIGITAL SOLUTION: PURPOSE-BUILT DATA CENTERS

Applied Digital’s Data Center experts confront the critical issue of insufficient infrastructure and power constraints by developing purpose-built Data Centers specifically engineered to support AI factories.

These facilities are engineered to support accelerated computing, offering scalability and efficiency that traditional Data Centers cannot match. Backed by a team of experts with extensive backgrounds in Data Center design, engineering and operations, Applied Digital integrates performance & flexibility with architecture and software at the core of our approach.

### Contiguous Design

Engineered for efficiency, maximizing performance through a unique layout that enhances connectivity and reduces latency.

### Scalability

Designed to support significant growth, with a robust development pipeline and flexible infrastructure ready for future demands.

### Liquid Cooling

Utilizing advanced liquid cooling solutions to support high-density Graphics Processing Unit (GPU) deployments, ensuring optimal thermal management.

### Renewable Energy

Strategically located near renewable energy sources, minimizing carbon footprint while ensuring stable power supply.



	APLD Next-Gen Data Centers	Traditional Data Centers
<b>Design Philosophy</b>	Purpose-built for AI and High Performance Computing (HPC) workloads	General-purpose, often retrofit for new technologies
<b>Cooling Technology</b>	Advanced liquid cooling for superior efficiency and performance	Primarily air-cooled, less efficient for high-density setups
<b>Energy Source</b>	Strategically placed near renewable energy sources	Mixed, often reliant on non-renewable sources
<b>Scalability</b>	Highly scalable, designed to support significant growth	Limited by older infrastructure and design
<b>Space Utilization</b>	Compact design with high power density	Larger physical footprint for similar power output
<b>Power Efficiency</b>	Lower Power Usage Effectiveness (PUE), optimized for power and cooling efficiency	Higher PUE, less efficient
<b>Network Architecture</b>	Advanced networking (e.g., InfiniBand) tailored for AI/HPC	Standard networking solutions
<b>Environmental Impact</b>	Minimized carbon footprint through renewable energy use	Higher carbon footprint

## ■ APPLIED DIGITAL CLOUD

Applied Digital Cloud, a wholly-owned subsidiary of Applied Digital, offers GPU computing solutions to help customers cost-effectively execute critical AI, ML, rendering, and other HPC workloads. Our infrastructure is purpose-built for high performance at low cost. Customers pay a fixed rate to the Company in exchange for a managed hosting environment supported by Company-provided equipment.



### Rapid and Scalable

Leverage our NVIDIA Preferred Cloud Partner status for fast, scalable access to the latest GPUs.

### Customized Solutions

Flexible options and tools for managing computing resources, designed for different types of environments and workloads.

### Cost Efficiency

Applied Digital has a lower cost structure compared to most traditional hyperscaler management approaches.

### Peak Performance

Achieve up to 3.2 Terabit per second InfiniBand per node for maximum throughput.

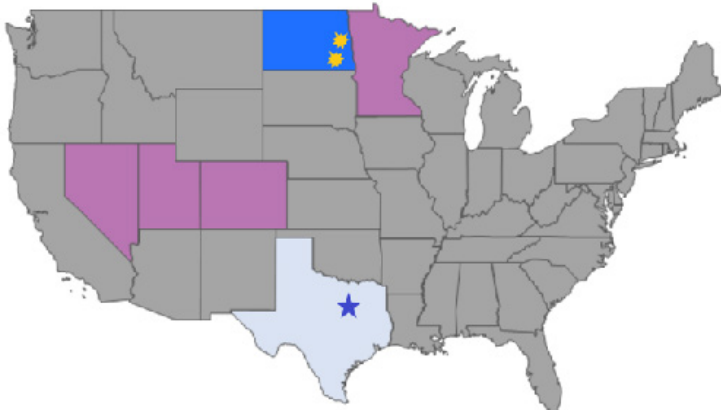
## ■ BLOCKCHAIN DATA CENTER



Applied Digital operates two Data Centers with a combined capacity of ~286 MW, providing energized space for blockchain mining customers.

The company focuses solely on infrastructure and supporting services, without owning any mining equipment.

## ■ DATA CENTER LOCATIONS



\* Headquarters in Texas

### CUSTOM BUILT HPC DATA CENTERS

REGION	TOTAL POWER
<b>NORTH DAKOTA</b> JAMESTOWN	9MWs
<b>NORTH DAKOTA</b> ELLENDALE	Up to 600MWs



### APPLIED DIGITAL CLOUD

<b>MINNESOTA</b>	1.5MW
<b>UTAH</b>	12.5MW
<b>NEVADA</b>	7.5MW
<b>COLORADO</b>	2.25MW

### BLOCKCHAIN DATA CENTERS

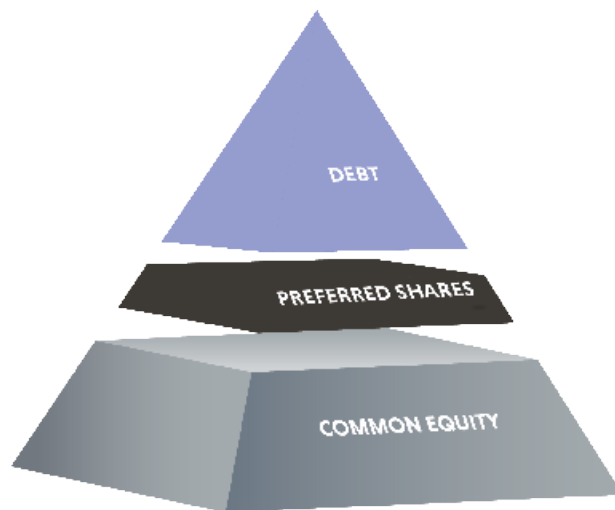
<b>NORTH DAKOTA</b> JAMESTOWN	~106MW
<b>NORTH DAKOTA</b> ELLENDALE	~180MW



## ■ BENEFITS OF A PREFERRED STOCK

There is a **\$2.1B** buffer of common equity subordinate to the Preferred Shareholders

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



## ■ SERIES E-1 REDEEMABLE PREFERRED STOCK OFFERING<sup>1</sup>

<b>Offering Size</b>	\$62,500,000.00
<b>Share Price</b>	\$1,000 per share
<b>Dividend*</b>	9% annualized cumulative dividend <i>Intended to be paid monthly</i>
<b>Senior Position<sup>2</sup></b>	Senior on the capital stack to the common stock
<b>Tax Efficient</b>	Dividends are qualified (after a 6 month hold of the position)
<b>Liquidity<sup>3</sup></b>	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) <sup>3</sup>
<b>Redemption Schedule</b>	Liquidity from Day 1 - with a 3 year declining redemption fee: 9%, 7%, 5%  Includes Death Put, no redemption fee in case of investors passing Issuer may elect to redeem in cash or common stock

\*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.



## ABOUT PREFERRED CAPITAL SECURITIES

Preferred Capital Securities (PCS) is an independent, third-party Managing Broker-Dealer specializing in the nationwide distribution of high-quality alternative investments to Independent Broker-Dealers (IBDs) and Registered Investment Advisors (RIAs) in the United States and Puerto Rico.

With over \$5 billion in capital raised across 10 successful offerings, PCS leverages decades of financial services expertise to foster strong relationships, generate capital for our clients, and support the success of our IBD and RIA partners, along with their investors.

1. This is not an offer to sell nor a solicitation of an offer to buy securities of Applied Digital (Company). Only the Company's Prospectus makes such an offer. The information contained herein is qualified in its entirety by the Prospectus. There is no assurance the stated Company objectives will be met. Past Company performance is not indicative of future Company performance. This offering of Company Securities includes certain risks and charges and is not suitable for all investors.

2. 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.

3. As of 11/18/24024. 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.

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.**



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