

July 30, 2021



Applied Blockchain, Inc. Launches Hosting Business

\$32.5 Million Private Placement Led by Bitmain Completed to Fund Buildout

Secured Long-term Hosting Agreements with Industry Leaders Bitmain and GMR

Management to Discuss details at 9 a.m. on August 2, 2021

DALLAS, July 30, 2021 /PRNewswire/ -- Applied Blockchain, Inc. ("Applied Blockchain" or the "Company") (PINK: APLD) today announced it is entering the crypto hosting business, following the closing of a \$32.5 million private placement on July 30, 2021. The private placement was led by Bitmain, a producer of products for blockchain and artificial intelligence (AI) applications. The proceeds will fund the acquisition of land, construction of facilities, component procurement and other project costs related to the Company's hosting business in North America. Once constructed, the hosting facilities will house up to 500 megawatts of power and will enable the Company to generate a stable cash flow stream through long-term hosting agreements and lower the cost of power for the Company's own mining operations.

Bitmain joins SparkPool and GMR as strategic partners for the Company, assisting in the operation and development of its mining and hosting businesses as well as the identification of other strategic business initiatives. In addition to the strategic and equity partnerships, the Company has secured long term hosting agreements with Bitmain and GMR.

"The successful private placement secures the project's development to establish a large-scale data center in North America," says Irene Gao, Antiminer BD Director, NCSA Region at Bitmain. "We are confident that our partnership with Applied Blockchain will provide professional mining services to move the industry forward."

"The crackdown on mining operations in China created a unique opportunity for us to launch our own hosting operations with our current partners as well as add another blue-chip partner," said Applied Blockchain, Inc.'s CEO and Chairman, Wes Cummins. "This new venture complements our existing mining business, services a real and growing demand for hosting capacity and leverages domestic resources and talent to create an even more compelling economic profile for our shareholders."

Mr. Cummins continued, "Over the last several months we have assembled an impressive team of specialists including engineers and contractors that have experience in procurement and building out hosting facilities who are not only experts in their respective fields but understand our vision and what we are focused on accomplishing. We are entering into a

long term agreement with a utility and are strategically locating our hosting operations in the Upper Midwest where there is an abundance of energy production and ample real estate available at an attractive valuation for additional expansion. We expect our first 50 megawatts of capacity to be operational before year end with plans to ultimately scale to more than 500 megawatts, making Applied one of the largest hosting providers in the world."

"This industry is young and evolving rapidly, and as such it is important that a company can position itself to react quickly to capture opportunities like this one," adds Mr. Cummins, "I'm proud of the team and the relationships we have built in such a short time to take advantage and execute on this new business."

B. Riley Securities, Inc. served as placement agent for the private placement.

Management will publish a pre-recorded message on Monday, August 2, 2021 at 9 a.m. Eastern Time to discuss the company's hosting operation, business plans and financing. To access the recording, please dial:

Within the United States: 1-844-369-8770
International: 1-862-298-0840

The message will be available for replay until Monday, August 16, 2021 and can be accessed by dialing:

Within the United States: 1-877-481-4010
International: 1-919-882-2331
Please reference replay passcode: 42381

The message will also be available online at:

<https://www.webcaster4.com/Webcast/Page/2686/42381>

Follow us on Twitter at [@APLDBlockchain](https://twitter.com/APLDBlockchain).

Find the latest video update from CEO and Chairman Wes Cummins at

<https://ir.appliedblockchaininc.com/events-presentations/>

About Applied Blockchain

Applied Blockchain, Inc. (APLD) is a publicly traded company that has partnered with Bitmain, SparkPool, and GMR (General Mining Research) to develop a business in the crypto mining industry. APLD delivers high-performance crypto mining and infrastructure solutions to customers around the globe. APLD also engages in direct mining of Bitcoin, Ethereum and other cryptoassets. The company is backed by some of the largest family offices and institutional investors in the US.

www.appliedblockchaininc.com

Forward-Looking Statements

This release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things, future operating and financial performance, product development, market position, business strategy and objectives. These statements use words, and variations of words, such as "continue," "build," "future," "increase," "drive," "believe," "look," "ahead," "confident," "deliver," "outlook," "expect," and "predict." Other examples of forward-looking statements may include, but are not limited to,

(i) statements of Company plans and objectives, including our evolving business model, or estimates or predictions of actions by suppliers, (ii) statements of future economic performance, and (iii) statements of assumptions underlying other statements and statements about the Company or its business. You are cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events and thus are inherently subject to uncertainty. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the Company's expectations and projections. These risks, uncertainties, and other factors include: decline in demand for our products and services; the volatility of the crypto asset industry; the inability to comply with developments and changes in regulation; cash flow and access to capital; and maintenance of third party relationships. Information in this release is as of the dates and time periods indicated herein, and the Company does not undertake to update any of the information contained in these materials, except as required by law.

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