

April 16, 2021



Applied Blockchain, Inc. Launches Ethereum and Altcoin Mining Business via Strategic Partnership with Industry Leaders SparkPool and GMR

Becomes Publicly Traded Cryptominer to Solely Focus on Ethereum and Decentralized Finance

Completes \$16.5M Private Placement

Management to Discuss Details at 9 a.m. on April 20, 2021

DALLAS, April 16, 2021 /PRNewswire/ -- Applied Blockchain, Inc. ("Applied Blockchain" or the "Company") (OTC: APLD), today announced it has entered the Ethereum and Altcoin mining market through strategic partnerships with industry leading companies SparkPool and General Mining Research ("GMR"). The Company successfully completed an oversubscribed private investment of \$16.5 million in proceeds, before fees and expenses.

Business Highlights

- Creates pure play publicly traded Ethereum mining company
- Strategic Partnership with SparkPool (the largest Ethereum mining pool in the world) and GMR will enable APLD to scale quickly with industry leading efficiency
- SparkPool and GMR each take a 9.9% equity stake in APLD and have executed a three-year services agreement with one year auto renewals
- Strong institutional backing with \$16.5 million private placement
- Expects initial mining capacity to come online in May 2021
- Goal is to scale mining quickly and then expand into Decentralized Finance (DeFi) and Non-fungible tokens (NFTs)
- The Company plans to list on the Nasdaq Capital Market as soon as possible

Strategic Partnership and Services Agreement

Applied Blockchain has entered into a strategic partnership with SparkPool and General Mining Research (GMR) whereby both will each take a 9.9% ownership stake in Applied Blockchain, Inc. The companies have also signed a three-year services agreement where SparkPool and GMR will provide all functions required to scale a larger Ethereum and Altcoin mining operation including access to hardware, hosting, hardware management, mining optimization through proprietary software and asset management. All services will be provided to Applied Blockchain, Inc. at SparkPool and GMR's costs, which will allow the company to leverage the large scale and proven efficiency of our partners. Importantly, the

agreement will also allow Applied Blockchain, Inc. priority access to mining hardware at favorable pricing. The agreement includes one year auto renewals after the initial three-year term.

"Ethereum represents one of the most attractive investment opportunities in the blockchain ecosystem with usage of the network hitting an inflection point in the last twelve months and transaction volumes increasing over 1,000% year over year," said Applied Blockchain, Inc.'s CEO and Chairman Wes Cummins. "Our strategic partnership with SparkPool, the largest Ethereum mining pool in the world, and GMR, a leader in mining operations, asset deployment and management, will allow us to quickly scale a large operation with industry leading efficiency. Our partners have successfully deployed hundreds of millions of dollars into cryptocurrency mining operations and their proprietary quantitative algorithms calculate the most profitable mining strategies in real-time and adjust mining hash power accordingly. Importantly, our partners operations are established and efficiently operating with low-cost hydroelectricity that circumvents the power generation challenges that many miners face today while also running the most efficient mining software ensuring 99%+ uptime and the highest mining rewards. Importantly, the multi-year services agreements provide us with scarce operational expertise. Through these partnerships we have strategically aligned our collective interests around a common goal of deploying capital rapidly to expand mining operations and capture a meaningful share of the Ethereum/Altcoin mining market."

Mr. Cummins continued, "The success of our private placement is indicative of the interest and excitement around Ethereum and the growing demand for distributed permissionless platforms without centralized toll takers. The Ethereum network is on pace to capture nearly \$4 billion in fee revenue in 2021. Through these partnerships we believe we can be an immediate and active player in the space and provide attractive returns for our investors."

Key Details of the Private Placement

The company has closed on a \$16.5 million equity investment lead by institutional and accredited investors. The company sold 660,000 shares of convertible preferred stock that convert into 132,000,000 shares of common stock upon registration. This represents approximately 31.2% ownership of The Company. The Company expects to use the proceeds from the offering to procure GPU mining hardware and for general corporate purposes.

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

Establishment of Board of Advisors

Upon closing of the financing, the principals of SparkPool and GMR will join our new established Board of Advisors.

Board of Advisors

Xin Xu is the co-founder and CEO of SparkPool. Xin graduated from Becknell University with a Computer Science degree and was previously an early-stage investor in the TMT industry, and led the seed round investment of imToken, the world's largest Ethereum mobile wallet. After joining the Ethereum community, Xin led EthFans to help the Ethereum Foundation growing the technical awareness of Ethereum technology in China. In late 2017,

Xin co-founded SparkPool focusing on Ethereum mining service and led it to be the world's largest Ethereum mining pool. He is considered as one of the most well-connected Ethereum infrastructure operators in the global community.

Guo Chen is the co-founder and CEO of General Mining Research (GMR). GMR is focused on mining Bitcoin, Ethereum, and a variety of other altcoins. Guo is one of the earliest participants in the institutionalization of the cryptocurrency industry. Before crypto, Guo worked at a technology-focused investment bank called China Renaissance. Guo holds dual master's degree from Peking University and Hong Kong University.

Bo Dong is the co-founder of General Mining Research (GMR), a research driven crypto mining firm. Bo is also a seasoned trader and earlier crypto investor. Before joining crypto space in 2016, Bo was a cofounder of a fintech startup in China. Bo graduated from MIT with a master's degree in engineering.

Pre-recorded Management Discussion

Management will publish a pre-recorded message on Tuesday, April 20, 2021 at 9 a.m. Eastern Time to discuss the company's launch, business plans and completed financing. To access the recording, please dial:

Within the United States: 1-888-506-0062
International: 1-973-528-0011
Please reference entry code: 592400

The message will be available for replay until Friday, April 30, 2021 and can be accessed by dialing:

Within the United States: 1-877-481-4010
International: 1-919-882-2331
Please reference replay passcode: 40831

The message will also be available online at
<https://www.webcaster4.com/Webcast/Page/2686/40831>.

About Applied Blockchain

Applied Blockchain Inc is an Ethereum focused company that is seeking to quickly scale a large Ethereum/Altcoin mining operation through strategic partnerships with two of the world's largest and most experienced Ethereum companies.
www.appliedblockchaininc.com

About SparkPool

SparkPool is focused on professional mining pool services and the stable operation of public chain networks with the largest Ethereum mining pool globally. The company is dedicated to optimizing technology and services, while providing safe and stable services for thousands of users every day. With a strong reputation in community, stable mining pool services and fair allocation of rewards, it is a leading pool globally.

About General Mining Research (GMR)

General Mining Research is a research driven hash rate trading company with mining

experience in Ethereum and Bitcoin. The company's proprietary algorithm optimizes mining in real-time to maximize returns of deployed assets.

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 the introduction of new products, or estimates or predictions of actions by customers or 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: price competition; the decisions of customers or consumers; the actions of competitors; changes in the pricing of commodities; the effects of government regulation; possible delays in the introduction of new products; and customer acceptance of products and services. 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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