

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

May 9, 2022

(Date of earliest event reported)

APPLIED BLOCKCHAIN, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

001-31968
(Commission File Number)

95-4863690
(IRS Employer
Identification No.)

3811 Turtle Creek Blvd., Suite 2100, Dallas, TX
(Address of principal executive offices)

75219
(Zip Code)

214-427-1704
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	APLD	Nasdaq Global Select Market

Item 7.01 Regulation FD Disclosure.

On May 9, 2022, Applied Blockchain, Inc. (the "Company") posted to the Company's website at www.appliedblockchaininc.com an updated investor presentation to be used from time to time in meetings with investors and analysts. A copy of the investor presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

The information included in this Item 7.01 of this Current Report on Form 8-K, including the attached Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1 104	Investor Presentation May 2022. Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: May 9, 2022

By: /s/ David Rench
Name: David Rench
Title: Chief Financial Officer



APPLIED BLOCKCHAIN

INVESTOR PRESENTATION

May 2022

DISCLAIMER

This presentation has been designed to provide general information about Applied Blockchain, Inc. ("APLD" or the "Company"). Any information contained or referenced herein is suitable only as an introduction to the Company. The information contained in this presentation is for informational purposes only. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. Neither the Company or any of its affiliates make any representation or warranty, express or implied as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of any of the information or opinions contained in this presentation. This presentation has been prepared without taking into account the investment objectives, financial situation particular needs of any particular person. The trademarks included herein are the property of the owners thereof and are used for reference purposes only. Such use should not be construed as an endorsement of the platform and solutions of Applied Blockchain.

Forward-Looking Statements

This presentation contains forward-looking statements that reflect the Company's current expectations and projections with respect to, among other things, its financial condition, results of operations, plans, objectives, future performance and business. When used in this presentation, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Forward-looking statements include all statements that are not historical facts. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith beliefs and assumptions as of that time with respect to future events. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements.

Forward-looking statements may include statements about the Company's future financial performance, including the Company's expectations regarding net revenue, operating expenses, and its ability to achieve and maintain future profitability; the Company's business plan and ability to effectively manage growth; anticipated trends, growth rates, and challenges in the Company's business, the cryptoeconomy, and in the markets in which the Company operates; further development and market acceptance of cryptoasset networks and other cryptoassets; further development of the Company's co-hosting facilities and customer base for co-hosting services; beliefs and objectives for future operations; the value of Bitcoin, Ether and other cryptoassets, which may be subject to pricing risk has historically been subject to wide swings; the Company's expectations concerning relationships with third parties; the effects of increased competition in the Company's markets and the Company's ability to compete effectively; the Company's ability to stay in compliance with laws and regulations that currently apply or become applicable to its business both in the United States and internationally; economic and industry trends, projected growth, or trend analysis; trends in revenue, cost of revenue, and gross margin; trends in operating expenses, including technology and development expenses, sales and marketing expenses, and general and administrative expenses, and expectations regarding these expenses as a percentage of revenue; increased expenses associated with being a public company; and other statements regarding the Company's future operations, financial condition, and prospects and business strategies.

There is no assurance that any forward-looking statements will materialize. You are cautioned not to place undue reliance on forward-looking statements, which reflect expectations only as of this date. Applied Blockchain undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Market and Industry Data

This presentation includes information concerning economic conditions, the Company's industry, the Company's markets and the Company's competitive position that is based on a variety of sources, including information from independent industry analysts and publications, as well as Applied Blockchain's own estimates and research. Applied Blockchain's estimates are derived from publicly available information released by third party sources, as well as data from its internal research, and are based on such data and the Company's knowledge of its industry, which the Company believes to be reasonable. Any independent industry publications used in this presentation were not prepared on the Company's behalf. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. The Company has not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that data nor do we undertake to update such data after the date of this presentation. An investment in the Company entails a high degree of risk and no assurance can be given that the Company's objective will be achieved or that investors will receive a return on their investment. Recipients of this presentation should make their own investigations and evaluations of any information referenced herein.

INVESTMENT HIGHLIGHTS



1. Hosting EBITDA is Hosting revenue less power and related costs, less operations and maintenance expense, plus Hosting depreciation and amortization expense.

EXPERIENCED LEADERSHIP TEAM



Wes Cummins, Chairman & CEO

- B. Riley Asset Management, 2021 – Present, President
- 272 Capital L.P., 2020 – Present, Founder and CEO
- Nokomis Capital, 2012 – 2020, Research Analyst
- B. Riley & Co, 2002 – 2011, President
- Current Board Member at Vishay Precision Group, Inc. (NYSE: VPG), and Sequans Communications (NYSE: SQNS)
- Former Board Member at Telenav (NASDAQ:TNAV)



David Rench, CFO

- Hirzel Capital, 2017 – 2020, CFO
- Ihiji (acquired by Control4 – NASDAQ: CTRL), 2010 – 2017, Co-founder, VP of Finance and Operations



Saidal Mohmand
EVP of Finance¹



Regina Ingel
EVP of Operations



POWER & INFRASTRUCTURE DEVELOPMENT TEAM



Etienne Snyman, EVP of Power¹



Nick Phillips, EVP of Hosting and Public Affairs¹



Roland Davidson, EVP of Engineering¹

BOARD OF DIRECTORS



Wes Cummins

- B. Riley Asset Management, 2021 – Present, President
- 272 Capital L.P., 2020 – Present, Founder and CEO
- Nokomis Capital, 2012 – 2020, Research Analyst
- B. Riley & Co, 2002 – 2011, President
- Current Board Member at Vishay Precision Group, Inc. (NYSE: VPG), and Sequans Communications (NYSE: SQNS)
- Former Board Member at Telenav (NASDAQ:TNAV)



Jason Zhang

- Valuefinder, LLC, 2019-Present, Founder and Manager
- Bitcoin and Ethereum miner
- Formerly: Sequoia Capital, MSD Capital, Investment Analyst



Douglas Miller

- Telenav (NASDAQ: TNAV), 2006 – 2012, SVP, CFO and Treasurer
- Formerly: Partner at EY
- Formerly: Board member of Telenav (NASDAQ:TNAV), CareDX, Inc. (NASDAQ:CDNA) and Procera Networks (NASDAQ: PKT)



Kelli McDonald

- KSD Now, 2019 – Present, Fundraising Chairperson and Manager
- Literacy Project, 2017 – 2020



Richard Nottenburg

- OceanSound Partners, LP, 2019 – Present, Executive Partner
- Sonus Networks, 2008 – 2010, President & CEO
- Motorola, 2004 – 2008, Executive Vice President & Chief Strategy Officer



Chuck Hastings

- B. Riley Wealth Management, 2013 – Present; 2020 – Present, CEO, 2019 – Present, President
- GPS Partners, 2005 – 2009, Head Trader
- IQvestment LLC, 2020 – Present, Board Member



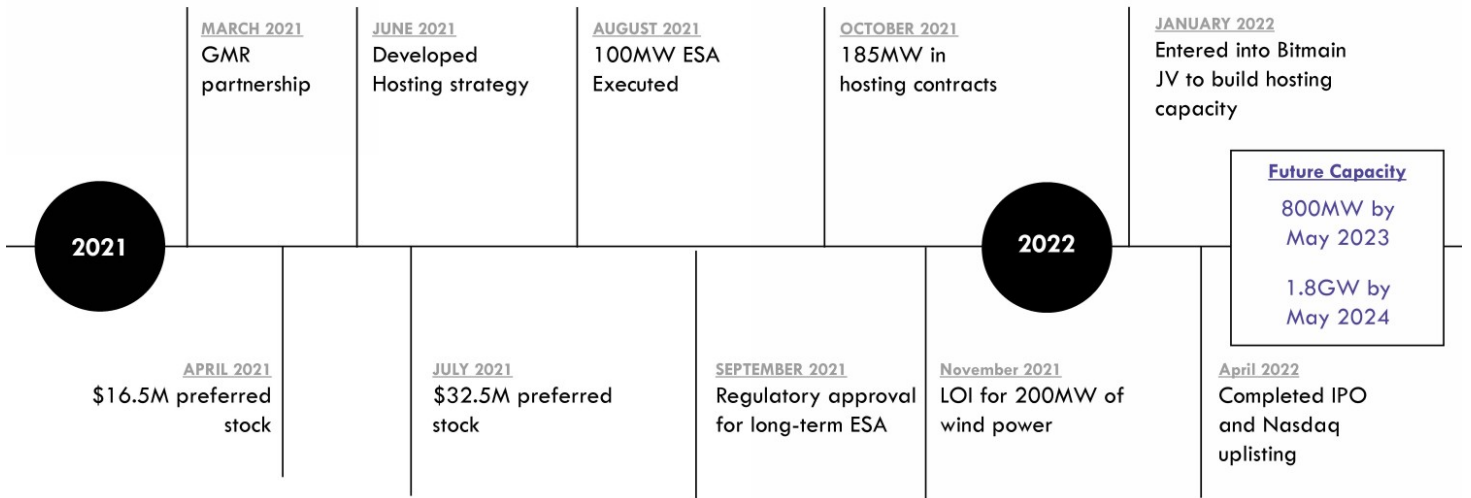
Virginia Moore

- Catavento, 2019 – Present, Co-Founder and CEO
- Corbis Global, 2007 – 2019, VP & Partner
- Universal Studios Home Entertainment, Coca-Cola and ACNielsen, Prior to 2007, various positions

OVERVIEW

- Infrastructure and colocation provider of next generation datacenters
- High Performance Computing (HPC) to process intensive applications including Bitcoin mining
- 55MW online - 45MW under development
- 5GW planned over next 5 years
- Bitmain/AntPool JV – Develop up to 1.5GW of hosting capacity
 - Bitmain affiliate AntPool to fund 20% of JV buildout for estimated 3-10% ownership of APLD, as converted¹
- Corporate headquarters – Dallas, Texas

RECENT EVENTS



NEXT-GEN DATACENTERS

- Focused on computing power intensive applications
- Require significant energy consumption, better suited for more remote geographies
- Vastly different designs for cooling/layout
- Do not require ultra high speed, low latency data connections

VS

TRADITIONAL DATACENTERS

- Ultra high speed, low latency connections
- Mixed use applications
- Often located near major cities, not as power intensive as Next-Gen datacenters

Not efficient to convert legacy datacenters to Next-Gen due to design layout and power demands

DATACENTER CONSTRUCTION



MARKET OPPORTUNITY

Near to Medium Term Tailwinds

- 6+ GW¹ of Bitcoin mining capacity expected to move from China - \$4.3B¹ in annual hosting demand
- North America expected to be main beneficiary given reliable power options & strong hosting demand



1. Source: Cambridge Bitcoin Electricity Consumption Index. China share as of February 1, 2021, prior to crackdown on mining activities, and assumes \$0.08/kwh average hosting cost.

Long-Term Tailwinds

- Next-Gen datacenters will be critical for the growth of cryptographically secure applications based on proof of work consensus mechanisms
- Secure blockchain networks for sensitive data
- Other compute intensive applications like artificial intelligence and machine learning

Blue Chip Blockchain Partnerships Assist in Goal of Becoming Largest Public Third-Party Next-Gen Datacenter Provider



BITMAIN STRATEGIC JOINT VENTURE

- Leading designer of ASIC chips for bitcoin mining
- Provides Applied Blockchain with financial resources
 - Funding evidenced by ownership in JV, and ultimately convertible into APLD stock
 - Bitmain affiliate AntPool to own an estimated 3-10% of APLD¹
- Joint Venture to build up to 1.5GW of hosting capacity in North America
 - **Capex share:** Bitmain will fund 20% of all JV capex



1. Ownership estimate based on Company forecast assuming capex per MW of \$250k-\$350k, 30-70% debt financing, full buildout of the 1.5GW, and full conversion of equity investment into shares of APLD.

Well-positioned to become largest public third-party Next-Gen hosting provider

Strong demand for hosting and co-location services

No direct competition with customers – APLD does not mine in Company-owned facilities

BITMAIN

GMR



SITE LEVEL STRATEGY

Blue chip anchor tenant at each facility with a 3-5 year term

Remaining capacity targets smaller-scale tenants with higher pricing and 18 - 36 month term

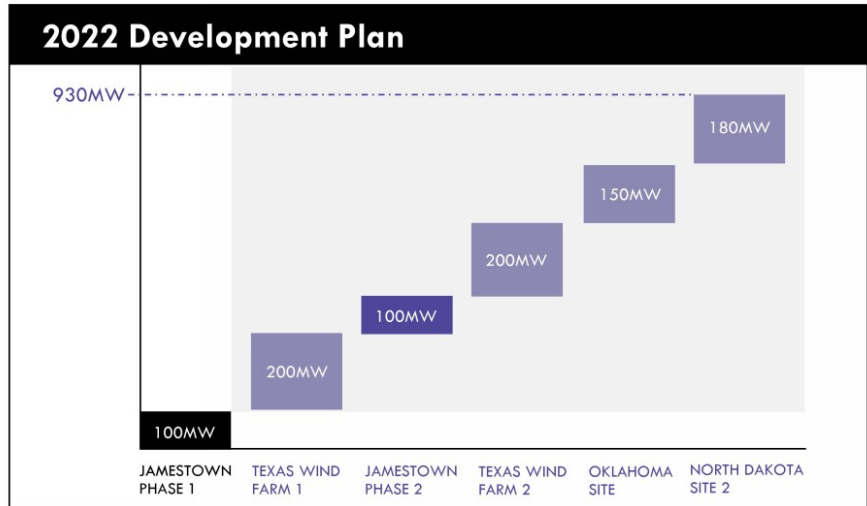
- Revenues are based on fixed USD price, not contractually linked to cryptocurrency prices
- Long-term contracts provide visibility into financial performance
- Ancillary services can enhance margins

LARGE, DIVERSIFIED

CONSTRUCTION & PROCUREMENT PIPELINE

↗ **1.8GW**
over next two years

↗ **5GW**
over next five years



- 55MW currently online, 100MW expected online in 1H22
- Planned expansion requires construction completion of additional buildings on our Jamestown, ND property and entry into second energy services agreement for 100MW by December 2022
- Plans to lease or acquire sites and enter into energy services agreements by December 2022 to develop Next-Gen data center operations for calendar year 2023

SITE SELECTION CRITERIA

1 GEOGRAPHICALLY DIVERSE

- ✓ Attractive locales with inexpensive/stranded, stable energy
- ✓ Favorable political and regulatory climates
- ✓ Minimize concentration risk

3 LONG-TERM AGREEMENTS

- ✓ Leverage proprietary relationships to provide long-term hosting services
- ✓ Growing, predictable cash flow stream
- ✓ Conducive to REIT structure

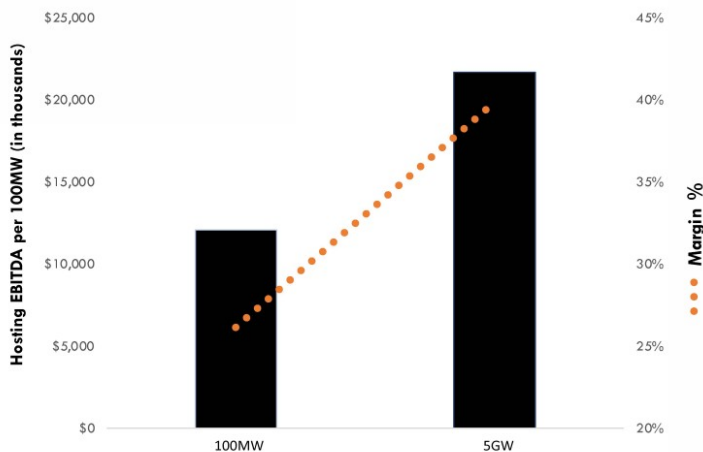
2 ATTRACTIVE RETURN ON INVESTMENT

- ✓ Strict underwriting standards to achieve targeted return
- ✓ Balanced mix of high-volume, blue-chip customers and higher margin, smaller scale customers
- ✓ Low-cost renewable assets

4 ENVIRONMENTALLY-CONSCIOUS

- ✓ Target renewable energy assets to minimize carbon footprint
- ✓ Macro tailwinds are beneficial for buildout of renewables
- ✓ Next-Gen datacenters represent unique power load that can accelerate renewables buildout

EXAMPLE HOSTING ECONOMICS



TARGET HOSTING EBITDA:
\$12MM increasing to \$21MM^{+2,3}

IRR⁴:
~50% (unlevered)

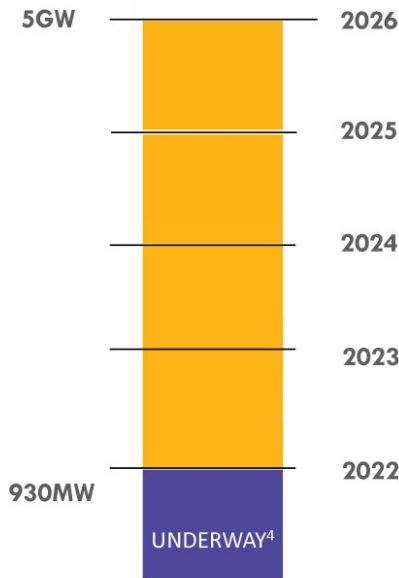
PAYBACK PERIOD⁴:
<3 Years

**Target Hosting EBITDA Margins
 at scale of 40%+**

Long-term goal of 5GW of Hosting

1. Actual results may vary significantly from illustrative and forward-looking figures presented herein, which are based on assumptions.
 2. Hosting EBITDA is Hosting revenue less Hosting direct costs excluding depreciation and amortization related to our Hosting operations. We expect revenues from our hosting operations to range from \$42 million to \$55 million per year per 100MW and our direct costs from hosting operations to range from \$30 million to \$40 million per year per 100MW.
 3. Anticipated increases achieved through pricing power, economies of scale and additional services provided to customers.
 4. IRR and payback period based on assumed capex of \$250-\$350k per MW.

GOAL TO DEVELOP 5 GW OF HOSTING CAPACITY OVER 5 YEARS

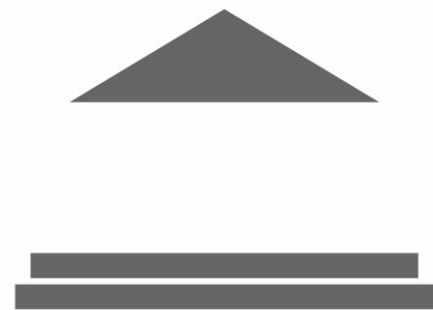


Illustrative 5GW Annual Operating Model ¹	
Assumptions	
MW Live	5,000
Hosting Revenue (\$'000)	\$2,715,600
Hosting Direct Costs (\$'000)	1,629,900
% of Revenue	60.0%
Target Hosting EBITDA^{2,3} (\$'000)	\$1,085,700
Margin	40%

1. Actual results may vary significantly from illustrative and forward-looking figures presented herein, which are based on assumptions.
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3. Anticipated increases achieved through pricing power, economies of scale and additional services provided to customers.
4. Underway – planned or contracted.

REAL ESTATE INVESTMENT TRUST (REIT) TRANSITION

- APLD's business model as a Next-Gen datacenter operator is intended to be conducive to a REIT structure
- Comparable to REIT datacenter operators like Digital Realty Trust (DLR) and Equinix (EQIX), and specialty REIT operator Innovative Industrial Properties (IIPR)



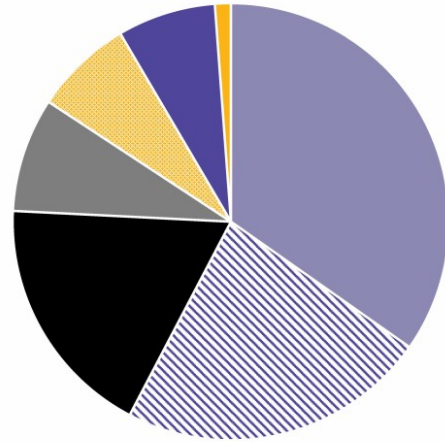
Capitalization

In millions, except share price

As of May 6, 2022:

Share Price	\$3.54
Shares Outstanding	99.2
Market Capitalization	\$351.2
Debt	\$7.5
Cash	\$51.1
Preferred Stock	\$0.0
Net Debt	(\$43.6)
Enterprise Value	\$307.6

Pro Forma Stock Ownership



■ Converted Preferred Stock ■ Management ■ Other ■ IPO Shares ■ GMR ■ SparkPool ■ Bitmain



Investor Relations Contacts

Matt Glover or Jeff Grampp, CFA

Gateway Group

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