
**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 16, 2023

(Date of earliest event reported)

APPLIED DIGITAL CORPORATION

(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,
(Address of principal executive offices)

Dallas, TX

75219
(Zip Code)

214-427-1704

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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 16, 2023, Applied Digital Corporation (the "Company") posted to the Company's website at www.applieddigital.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 8.01 Other Events.

On May 16, 2023, the Company issued a press release announcing that it has secured its first major artificial intelligence (AI) customer with a contract worth up to \$180 million over a 24-month period for its previously disclosed AI Cloud services business.

A copy of the press release is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.

Description

99.1	Investor Presentation May 2023.
99.2	Press Release dated May 16, 2023.
104	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 16, 2023

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



APPLIED DIGITAL

Leading Provider of Next-Gen Datacenters for
High-Performance Computing Applications

INVESTOR PRESENTATION

May 2023

DISCLAIMER

This presentation has been designed to provide general information about Applied Digital Corporation ("Applied Digital" 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 Digital.

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 Digital 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 Digital's own estimates and research. Applied Digital'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.

DISCLAIMER

"EBITDA" is defined as earnings before interest, taxes, and depreciation and amortization. "Adjusted EBITDA" is defined as EBITDA adjusted for stock-based compensation, gain on extinguishment of accounts payable, loss on extinguishment of debt, and one-time professional service costs not directly related to the company's offering and therefore not deferred under the guidance in ASC 340 and SAB Topic 5A. These costs have been adjusted as they are not indicative of business operations. Adjusted EBITDA is intended as a supplemental measure of Applied Digital's performance that is neither required by, nor presented in accordance with, GAAP. Applied Digital believes that the use of EBITDA and Adjusted EBITDA provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing its financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. We also believe EBITDA and Adjusted EBITDA are useful metrics to investors because they provide additional information regarding factors and trends affecting our business, which are used in the business planning process to understand expected operating performance, to evaluate results against those expectations, and because of their importance as measures of underlying operating performance, as the primary compensation performance measure under certain programs and plans. However, you should be aware that when evaluating EBITDA and Adjusted EBITDA, Applied Digital may incur future expenses similar to those excluded when calculating these measures. In addition, Applied Digital's presentation of these measures should not be construed as an inference that its future results will be unaffected by unusual or non-recurring items. Applied Digital's computation of Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies, because all companies may not calculate Adjusted EBITDA in the same fashion.

Because of these limitations, EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. Applied Digital compensates for these limitations by relying primarily on its GAAP results and using EBITDA and Adjusted EBITDA on a supplemental basis. You should review the reconciliation of net loss to EBITDA and Adjusted EBITDA above and not rely on any single financial measure to evaluate Applied Digital's business.

OVERVIEW

- **Leading Digital Infrastructure and Colocation Provider of U.S.-based Next-Generation Datacenters**
- **Next-Generation Datacenters are Optimized for High Performance Computing (HPC) Applications**
 - *AI, Machine Learning, Graphics Rendering, Web 3.0 & Other HPC Workloads*
- **100MW online – Nearly 400MW Under Active Development Expected Online 1H Calendar 2023**
 - *All 500MW of capacity is under multi-year arrangements*
 - *Represents Anticipated Annualized Adjusted EBITDA Potential of \$100 million Once Online¹*
- **First dedicated HPC facility expected online 1H Calendar 2023**
- **Experienced Management Team with Backgrounds in Capital Markets, Digital Infrastructure, Real Estate and Marketing**

DATACENTER: TRADITIONAL VS NEXT-GEN

TRADITIONAL DATACENTERS

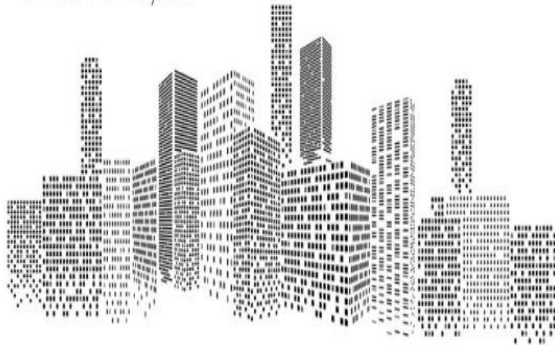
- Low-Power Density Design not Optimal for HPC Demands
- Often Located Near Major Cities w/ High Power Costs & Expensive Real Estate
- Optimized for High-Speed, Ultra-Low Latency Connectivity built to Support Streaming but not Efficient for AI/ML

NOT Efficient to Convert Legacy
to Next-Gen due to Design
Layout and Power Demands



NEXT-GEN DATACENTERS

- Requires Infrastructure Built to Support Significant Energy Consumption
- Better Suited for More Remote Geographies
- Do not Require Low Latency Connection, Purpose-Built for HPC Applications



APPLIED DIGITAL: LEADING THE DATACENTER EVOLUTION

Traditional Centers Purpose-Built for These Markets

Web 1.0

- Internet Backbone
- Individual Servers
- Buffering and Waiting

Internet Explorer
AOL Google
Yahoo MSN

Web 2.0

- Internet Backbone
- Centralized Data
- Streaming Apps- Instantaneous

Facebook
YouTube
Netflix
AWS

Next-Generation Datacenters

High Performance Compute

Machine Learning
Bitcoin Ethereum
Language Processing

- *Crypto Mining Applications*
- *Artificial Intelligence*
- *Machine Learning*
- *Language Processing*
- *Drug Discovery*
- *Graphics Rendering*

Business Overview

AI Based Cloud Service

**Providing Cloud Services
Applicable to Artificial Intelligence**

- Multi-Billion Revenue Opportunity
- 40% Operating Margin



Next-Gen HPC Datacenters

**HPC Datacenters with Efficient Cost
Effectiveness**

- 200 MW in Development
- \$200MM of Revenue per 100MW
- 40-50% EBITDA Margin



Bitcoin Datacenters

**Providing Infrastructure and
Colocation Services.**

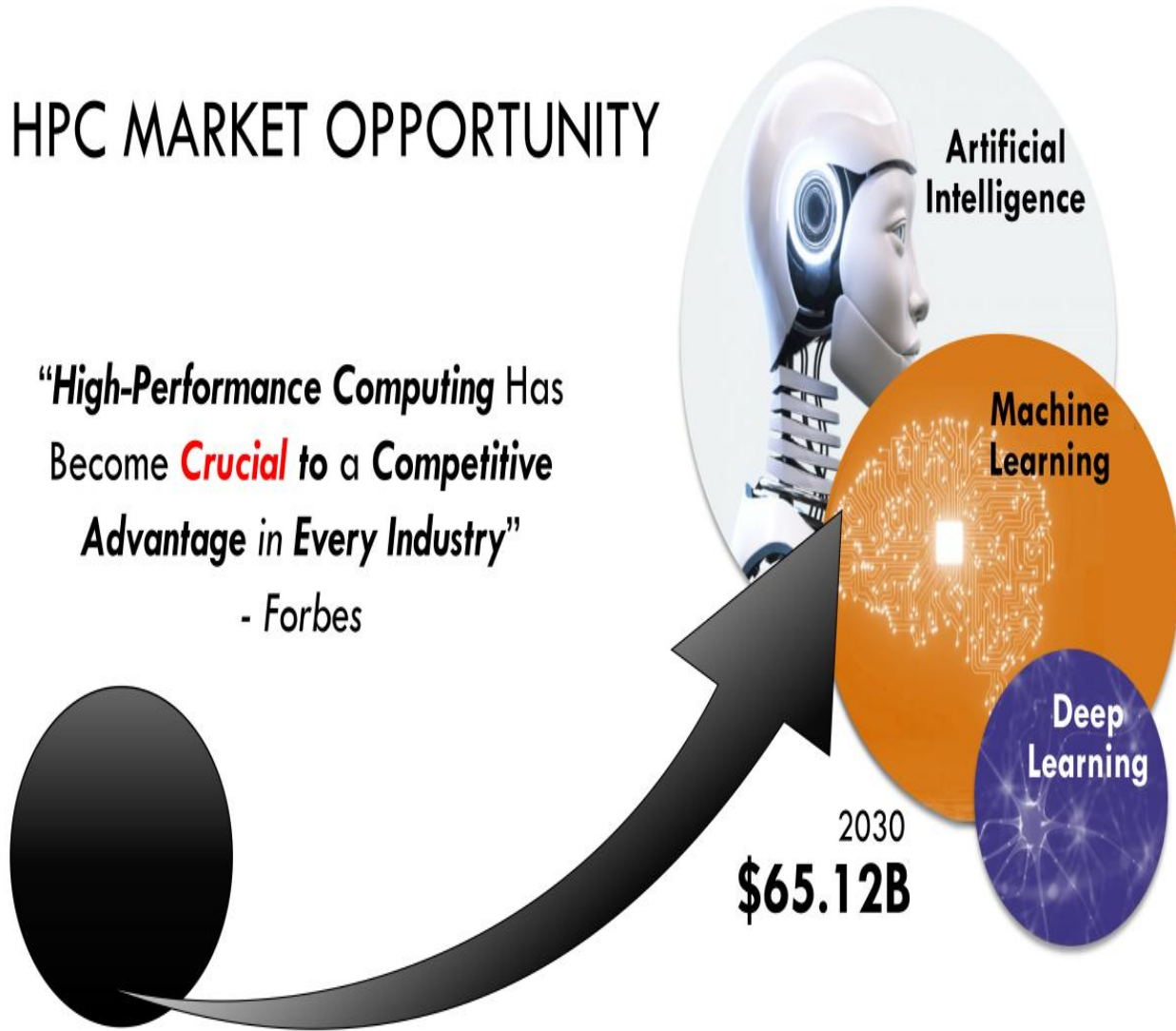
- 500 MW Online by End of June
- \$100 MM EBITDA Margin



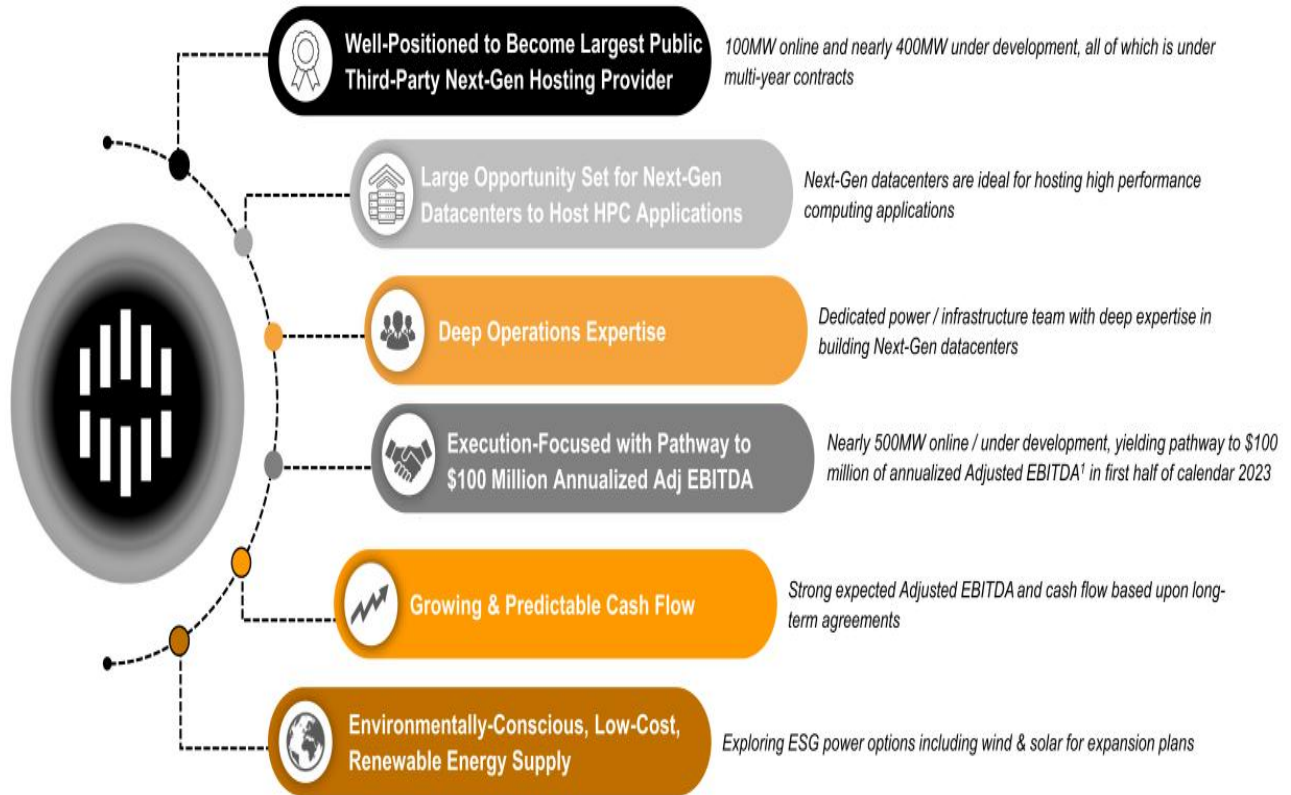
HPC MARKET OPPORTUNITY

“High-Performance Computing Has Become *Crucial* to a Competitive Advantage in Every Industry”

- Forbes



INVESTMENT HIGHLIGHTS



1. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization, gain on the extinguishment of accounts payable, loss on extinguishment of debt, non-recurring professional service costs, and other one-time/non-recurring expenses.



APPLIED DIGITAL

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Applied Digital Signs First Major Customer for Latest Artificial Intelligence Cloud Service

\$180M Agreement With Customer to Support the Company's Cutting-Edge Vision in Reinforcing Demand for Artificial Intelligence (AI) Applications

DALLAS, May 16, 2023 -- [Applied Digital Corporation](#) (Nasdaq: APLD) ("Applied Digital" or the "Company"), a designer, builder and operator of next-generation digital infrastructure that is designed for High-Performance Computing ("HPC") applications, today announced that its recently launched AI Cloud Service, through its wholly-owned subsidiary Sai Computing, has secured its first major AI customer with an agreement worth up to \$180 million over a 24-month period.

The customer will make a significant pre-payment as part of the agreement. The service is expected to start coming online this June and is expected to be fully ramped up by the end of the year.

"The amount of demand we are seeing from emerging applications for these high-power compute solutions is unprecedented and likely just the tip of the iceberg," said Applied Digital CEO and Chairman, Wes Cummins. "With a surge in demand for high-performance compute power to support the growing AI industry, we are excited to be at the forefront of this transformation. This partnership not only reaffirms our commitment to advancing emerging technology applications but also solidifies our position as a key player in the digital infrastructure landscape."

Applied Digital's next-generation datacenters are ideal hosting sites for HPC applications that can offer lower cost, high compute power solutions compared to traditional datacenters that are typically higher cost and do not have the ability in most current facilities to provide the power density required for AI/ML workload.

About Applied Digital

Applied Digital (Nasdaq: APLD) designs, develops and operates next-generation datacenters across North America to provide digital infrastructure solutions to the rapidly growing high-performance computing (HPC) industry. Find more information at www.applieddigital.com. Follow us on Twitter at @APLDdigital.

About Sai Computing

Sai Computing Holdings LLC. provides GPU compute solutions to help customers more cost-effectively execute critical AI, ML, rendering, web3, and other HPC workloads. Our infrastructure is purpose-built for high-performance at ultra-low cost.

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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