

**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

August 11, 2024

(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 1.01 Entry into a Material Definitive Agreement.

As previously disclosed, on June 7, 2024, APLD Holdings 2 LLC (the "Borrower"), a Delaware limited liability company and a subsidiary of Applied Digital Corporation, a Nevada corporation (the "Company") entered into a promissory note (the "Promissory Note") with CIM APLD Lender Holdings, LLC, a Delaware limited liability company (the "Lender"), which provides for an initial borrowing of \$15 million, which was drawn on June 7, 2024, and subsequent borrowings of up to \$110 million, which will be available subject to the satisfaction of certain conditions. In addition, the Promissory Note includes an accordion feature that permits up to an additional \$75 million of borrowings subject to the mutual agreement of the Lender and the Borrower.

As partial consideration for the loans under the Promissory Note, the Company agreed to issue to the Lender warrants to purchase up to an aggregate of 9,265,366 shares of common stock of the Company (the "Warrants"). The Warrants are issuable in two tranches, (i) for the purchase of up to 6,300,449 shares of common stock (the "Initial Warrants"), and (ii) for the purchase of up to 2,964,917 shares of common stock (the "Additional Warrants"). Pursuant to the terms of the Promissory Note, the Initial Warrants were issued on June 17, 2024 and the Company agreed to issue the Additional Warrants concurrently with the satisfaction of certain conditions for the subsequent borrowings of up to \$110 million.

On August 11, 2024, the Borrower and the Lender entered into a Waiver Agreement (the "Waiver"), whereby the Lender agreed to waive the satisfaction of certain conditions for the subsequent borrowings, allowing the Company to draw an additional \$20 million (net of original discount and fees) of borrowings under the Promissory Note. As partial consideration for the Waiver, the Company agreed to issue the Additional Warrants, as described below.

Contemporaneously with the execution of the Waiver, and the issuance by the Company of the Additional Warrants, the Borrower entered into an exclusivity arrangement with the Lender (the "Exclusivity Letter"), pursuant to which the Company (including its subsidiaries and its and their affiliates) is restricted from obtaining financing the principal purpose of which is to refinance or replace the financing under the Promissory Note. Any breach of the foregoing restriction would trigger the Company's obligation pursuant to the terms of the Exclusivity Letter of a payment to Lender of liquidated damages in an amount equal to \$2.5 million. Such exclusivity arrangement shall remain in effect through the earliest of (a) November 1, 2024, (b) the occurrence of both (x) the execution of a hyperscale lease agreement with respect to the Company's Ellendale facility under

construction, and (y) the close and initial funding of the initial project financing to fund the construction and operation of that facility, and (c) the date on which the Lender notifies the Company in writing of its intent not to pursue the take-out financing. Certain third party financing sources are expressly exempt from this exclusivity provision.

The foregoing description of the Waiver does not purport to be complete and is qualified in its entirety by reference to the full text of the Waiver, which is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

Additional Warrants

On August 11, 2024, in connection with the Waiver and pursuant to the terms of the Promissory Note, the Company issued the Additional Warrants in a private placement pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act") afforded by Section 4(a)(2) thereof.

The terms of the Additional Warrants have been previously disclosed in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on June 7, 2024, as amended on June 10, 2024 and are incorporated herein by reference.

The Company is obligated to prepare and file with the SEC a Registration Statement on Form S-1, registering the resale of the common stock underlying the Additional Warrants (the "Registration Statement"), as soon as practicable following the issuance of the Additional Warrants (to be declared effective by the SEC prior to the 90th day after the issuance of the Additional Warrants, or the 30th day if the SEC does not review the Registration Statement).

The foregoing description of the Additional Warrants does not purport to be complete and is qualified in its entirety by reference to the full text of the Form of Warrant, which is attached as Exhibit 4.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Share Issuance

As previously disclosed, on June 7, 2024, the Company entered into a Consent, Waiver and First Amendment to Prepaid Advance Agreements (the “Consent”) with YA II PN, LTD. (“YA”). In exchange for giving its consent to the transactions with the Lender and the issuance of the Promissory Note, as set forth in the Consent, the Company agreed to issue an aggregate of 100,000 shares of common stock to YA. Pursuant to the terms of the Consent, the Company issued 100,000 shares of common stock to YA on June 18, 2024.

The shares of common stock were issued without registration under the Securities Act, pursuant to an exemption from the registration requirements of the Securities Act afforded by Section 4(a)(2) thereof.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
4.1	Form of Warrant.
10.1	Waiver Agreement, dated August 11, 2024, by and between APLD Holdings 2 LLC and CIM APLD Lender Holdings, LLC.*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* The annex to this agreement has been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby agrees to furnish supplementally a copy of any omitted annex to the SEC upon request

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: August 14, 2024

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

EXHIBIT 4.1

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT UNDER ANY CIRCUMSTANCES BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY OTHER APPLICABLE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE SECURITIES LAWS.

COMMON STOCK PURCHASE WARRANT

APPLIED DIGITAL CORPORATION

Issue Date: [●] (the “Issue Date”)

THIS COMMON STOCK PURCHASE WARRANT (this “Warrant”) certifies that, for value received, CIM APLD Lender Holdings, LLC or its permitted assigns (the “Holder”), is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the Issue Date and on or prior to the Termination Date (as defined below), but not thereafter, to purchase from Applied Digital Corporation, a Nevada corporation (the “Company”), up to [●] shares (subject to the limitations contained herein, including Sections 2(d) and 3(e), and subject to adjustment hereunder, the “Warrant Shares”) of the Company’s common stock, par value \$0.001 per share (the “Common Stock”). The purchase price of one Warrant Share shall be equal to the Exercise Price, as defined in Section 2(b).

As used in this Warrant:

“Affiliate” means, with respect to any Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person; for purposes of this definition, the term “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

“Board of Directors” means the board of directors of the Company.

“Business Day” means any day excluding Saturday, Sunday or any day which is a legal holiday under the laws of the State of New York or a day on which banking institutions are authorized or required by law or other governmental action to close.

“Capital Stock” means, with respect to any Person, (i) any capital stock of such Person, (ii) any security convertible, with or without consideration, into any capital stock of such Person, (iii) any other shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) the capital stock of such Person and (iv) any other equity interest in, or right to vote generally in elections of directors or the comparable governing body of, such Person.

“Fair Market Value” of the Common Stock on any date of determination means (i) if the Common Stock is listed for trading on a national securities exchange, the closing sale price per share of

the Common Stock on the Trading Day immediately prior to such date of determination, as reported by the national securities exchange, (ii) if the Common Stock is not listed on a national securities exchange but is listed in the over-the-counter market, the average last quoted sale price for the Common Stock (or, if no sale price is reported, the average of the high bid and low asked price for such date) on the Trading Day immediately prior to such date of determination, in the over-the-counter market as reported by OTC Markets Group Inc. or other similar organization, or (iii) in all other cases, in the sole discretion of the Board of Directors, (A) as agreed upon in good faith by the Holder and the Company or (B) as determined by an independent accounting, appraisal or investment banking firm or consultant of nationally recognized standing that is retained at the sole cost and expense of the Company.

“Person” means any individual, partnership, corporation, limited liability company, association, joint stock company, trust, joint venture, unincorporated organization or governmental entity (or any department, agency, or political subdivision thereof).

“Reported Outstanding Shares Number” means (x) the Company’s most recent periodic or annual report filed with the Commission, as the case may be, (y) a more recent public announcement by the Company or (z) a more recent written notice by the Company or the Transfer Agent to the Holder, in each case setting forth the number of shares of Common Stock outstanding.

“Termination Date” shall mean the close of business on [●].

“Trading Day” means a day on which:

- (1) trading in the Common Stock generally occurs on the principal U.S. national or regional securities exchange on which the Common Stock (or such other security) is then listed; and
- (2) during the one-half hour period ending on the scheduled close of trading on any Trading Day no material suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Common Stock or in any options, contracts or future contracts relating to the Common Stock existed or occurred.

If the Common Stock is not so listed or traded, “Trading Day” means a business day.

“VWAP” per share of Common Stock on any Trading Day means the per share volume-weighted average price as displayed under the heading Bloomberg VWAP on Bloomberg (or, if Bloomberg ceases to publish such price, any successor service reasonably chosen by the Company) page “APLD <equity> AQR” (or its equivalent successor if such page is not available) in respect of the period from the open of trading on the relevant Trading Day until the close of trading on such Trading Day (or if such volume-weighted average price is unavailable, the market price of one share of Common Stock on such Trading Day determined, using a volume-weighted average method, by an Independent Financial Advisor retained for such purpose by the Company). The VWAP will be determined without regard to after-hours trading or any other trading outside of the regular trading session.

Section 1. Vesting; Exercisability. The Holder’s right to exercise this Warrant with respect to the Warrant Shares is subject to vesting and limitations on exercisability as follows:

(a) This Warrant and the Holder's rights hereunder with respect to the Warrant Shares (subject to adjustment or otherwise to the restrictions as set forth in this Warrant, including, without limitation, Section 2(d) and Section 3) will vest and become exercisable on the Issue Date.

(b) Subject to any adjustment required by Section 3 or elsewhere in this Warrant, and notwithstanding anything to the contrary in this Warrant, in no event shall this Warrant be exercisable for more than [●] Warrant Shares.

(c) The Holder's right to receive the Warrant Shares, and the Company's obligation to issue such Warrant Shares, upon exercise of this Warrant shall be subject to the limitations set forth in Section 2(d)(i).

Section 2. Exercise.

(a) Subject to Section 1, exercise of the purchase rights represented by this Warrant with respect to Warrant Shares may be made, in whole or in part, at any time or times on or after the Issue Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly completed and executed copy of a notice of exercise substantially in the form attached hereto as Exhibit A (a "Notice of Exercise"). The "Exercise Date" shall be the date on which such delivery shall have taken place (or be deemed to have taken place) unless a later date is specified in the Notice of Exercise. Within two (2) Trading Days following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise, at its option, (i) by cashless exercise as set forth in Section 2(e) or (ii) solely if the Company has a then-effective shelf registration statement or the Company has advised the Holder that a registration statement will cover such exercise in cash, (a) by wire transfer or cashier's check drawn on a United States bank, or (b) any combination of cash and cashless exercise as set forth in Section 2(e); provided, however, in the event that the Holder has not delivered such aggregate Exercise Price within two (2) Trading Days following the date of such exercise as aforesaid, the Company shall not be obligated to deliver such Warrant Shares hereunder until such payment is made. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation promptly after the relevant event shall have occurred. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases and the Holder may request that a new Warrant be issued to it representing the amount of Underlying Shares not purchased and the Company shall promptly comply with such request. The Company shall deliver any objection to any Notice of Exercise within two (2) Business Days of receipt of such notice. **The Holder, by acceptance of this Warrant, acknowledges and agrees that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

(b) Exercise Price. The "Exercise Price" per Warrant Share shall be \$4.8005, subject to any adjustment required by Section 3.

(c) Mechanics of Exercise.

(i)Delivery of Warrant Shares Upon Exercise. Upon each exercise of this Warrant, the Company shall promptly, but in no event later than two (2) Trading Days after delivery of the applicable Notice of Exercise (subject to delivery by the Holder to the Company of the aggregate Exercise Price payable pursuant to Section 2(b) or pursuant to the cashless exercise provisions of Section 2(e)), instruct the transfer agent for the Common Stock (the "Transfer Agent") to record the issuance of the Warrant Shares purchased hereunder to the Holder in book-entry form pursuant to the Transfer Agent's regular procedures. The Warrant Shares shall be deemed to have been issued, and the Holder shall be deemed to have become a holder of record of such shares for all purposes, as of the Exercise Date with payment to the Company of the Exercise Price having been paid.

(ii)Rescission Rights. If the Company fails to issue or cause to have issued the Warrant Shares pursuant to Section 2(c)(i) or does not issue Warrant Shares as a result of the limitations in Section 1(c) or Section 2(d) within two (2) Trading Days after delivery of the applicable Notice of Exercise, then the Holder will have the right to rescind such exercise in its sole discretion. The right of rescission of the Holder under this Section 2(c)(ii) is subject to delivery by the Holder of the aggregate Exercise Price payable pursuant to Section 2(b) or Section 2(e).

(iii)No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Fair Market Value or round up to the next whole share.

(iv)Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue, transfer, stamp or other tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder. Without limiting the generality of the foregoing, the Company shall pay all fees required for same-day processing of any Notice of Exercise and all other expenses of the Company and its registrar(s) and transfer agent(s) in connection with delivery of the Warrant Shares and replacement warrants.

(v)Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

(vi)Sale of Stock by the Holder. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is to be made in connection with a public offering of the Common Stock (pursuant to a merger, sale of stock, or otherwise), a Change of Control (as defined in the Promissory Note dated as of June 7, 2024 (the "Promissory Note"), among APLD Holdings 2 LLC as the borrower and the lenders from time to time party thereto), or in connection with a tender or exchange offer for shares of Common Stock of the Company, such exercise may at the election of the Holder be conditioned upon the consummation of such transaction, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such transaction.

(d) Holder's Exercise Limitations.

(i)Notwithstanding anything to the contrary contained in this Warrant, the Company shall not effect the exercise of any portion of this Warrant, and, no Holder shall have the right to exercise any portion of this Warrant, pursuant to the terms and conditions of this Warrant and any such exercise shall

be null and void and treated as if never made, to the extent that after giving effect to such exercise, any Holder (together with any other Person whose beneficial ownership of Common Stock would be aggregated with such Holder's for purposes of Section 13(d) or Section 16 of the Securities Exchange Act of 1934 (the "Exchange Act") and the applicable regulations of the Securities and Exchange Commission (the "Commission") thereunder, including any "group" of which any Holder is or may be deemed a member (collectively, the "Attribution Parties") would beneficially own in excess of 9.99% (the "Maximum Percentage") of the number of shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by such Holder and its Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (A) exercise of the remaining, unexercised portion of this Warrant beneficially owned by the Holder and its Attribution Parties and (B) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by the Holder or any of its Attribution Parties subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 2(d)(i). In the event that the issuance of shares of Common Stock to the Holder upon exercise of this Warrant results in the Holder and its Attribution Parties being deemed to beneficially own, in the aggregate, more than the Maximum Percentage (as determined under Section 13(d) of the Exchange Act), the number of shares so issued by which the Holder's and its Attribution Parties' aggregate beneficial ownership exceeds the applicable Maximum Percentage (the "Excess Shares") shall be deemed null and void and shall be cancelled ab initio, and the Holder shall not have the power to vote or to transfer the Excess Shares. As soon as reasonably practicable after the issuance of the Excess Shares has been deemed null and void, the Company shall return to the Holder the Exercise Price paid by the Holder for the Excess Shares. Upon delivery of a written notice to the Company by any Holder, the Maximum Percentage may be increased or decreased with respect to such Holder to any other percentage as specified in such notice; provided, that (i) any such increase or decrease in the Maximum Percentage will not be effective until the 75th day after such notice is delivered to the Company and (ii) any such increase or decrease will apply only to the Holder and its Attribution Parties requesting such increase or decrease and not to any other Holder of this Warrant. For purposes of clarity, the shares of Common Stock issuable pursuant to the terms of this Warrant in excess of the Maximum Percentage shall not be deemed to be beneficially owned by any Attribution Party for any purpose including for purposes of Section 13(d) or Rule 16a-1(a)(1) of the Exchange Act. No prior inability to exercise this Warrant, in whole or in part, pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability.

(ii) Except as set forth in the exclusions to calculating beneficial ownership in Sections 2(d)(i)(A) and (B), for purposes of this Section 2(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(d) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Maximum Percentage, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with

Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder and the Company shall have no obligation to verify or confirm the accuracy of such determination and shall have no liability for exercises of the Warrant that are not in compliance with the Maximum Percentage. The Company shall have the sole right to enforce the provisions of Section 2(d)(i). If the Company receives a Notice of Exercise from a Holder at a time when the actual number of outstanding shares of Common Stock is less than the Reported Outstanding Shares Number, the Company shall (i) notify the Holder in writing of the number of shares of Common Stock then outstanding and, to the extent that such Notice of Exercise would otherwise cause the Holder's beneficial ownership, as determined pursuant to Section 2(d)(i), to exceed the Maximum Percentage, the Holder must notify the Company of a reduced number of Warrant Shares to be purchased pursuant to such Notice of Exercise (the number of shares by which such purchase is reduced, the "Reduction Shares") and (ii) as soon as reasonably practicable, the Company shall return to the Holder any exercise price paid by the Holder for the Reduction Shares.

The provisions of this Section 2(d) shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(d) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation or the application of the rules of The Nasdaq Stock Market.

(e) In lieu of paying the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer or check drawn on a United States bank pursuant to Section 2(a), the Holder may elect to exercise the purchase rights represented by this Warrant by authorizing the Company to withhold and not issue to the Holder, in payment of the Exercise Price thereof, a number of such Warrant Shares equal to (x) the number of Warrant Shares for which the Warrant is being exercised, multiplied by (y) the Exercise Price, and divided by (z) the Fair Market Value on the Exercise Date (any such exercise, a "Cashless Exercise"); and such withheld Warrant Shares shall no longer be issuable under the Warrant, and the Holder shall not have any rights or be entitled to any payment with respect to such withheld Warrant Shares. The Company and Holder agree to treat the Cashless Exercise of this Warrant pursuant to this Section 2(e) as a recapitalization under Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). In the event of a Change of Control (as defined in the Promissory Note) in which the Common Stock is converted into solely the right to receive cash upon closing of such Change of Control, if this Warrant has not previously been exercised in full on an Exercise Date occurring before the third Business Day prior to the consummation of such Change of Control, any unexercised portion of this Warrant shall be deemed exercised in full, without the delivery of a Notice of Exercise, effective immediately prior to the consummation of such Change of Control and the Holder shall be entitled to receive cash in an amount equal to the amount of cash payable in such Change of Control in respect of a number of shares of Common Stock equal to the number of Warrant Shares that would be deliverable upon an exercise of this Warrant in full immediately prior to consummation of such Change of Control pursuant to this Section 2(e) of the unexercised portion of this Warrant, where Fair Market Value of a share of Common Stock in such an exercise is deemed for these purposes to be the cash payable in respect of a share of Common Stock in such Change of Control; provided, that, for the avoidance of doubt, if the cash payable in respect of a share of Common Stock in such Change of Control in which the Common Stock is converted into solely the right to receive cash upon closing of such Change of Control is less than the then-applicable Exercise Price, then upon consummation of such Change of Control the unexercised portion of this Warrant shall be cancelled for no consideration.

(f) Forced Exercise. After all outstanding borrowings under the Promissory Note and, if borrowed, the Long Form Credit Documentation (as defined in the Promissory Note) and, if borrowed,

any accordion loans contemplated by the term sheet dated May 10, 2024 between CIM Group Acquisitions, LLC and Borrower (“Accordion Loans”), have been repaid in full and the Holder’s commitments to provide loans under the Promissory Note, and, if applicable, the Long Form Credit Documentation and any Accordion Loans, have been fully terminated, if the value of the Common Stock, as calculated by the VWAP of the Fair Market Value of the Common Stock for the prior twenty (20) Trading Days, exceeds 200% of the then applicable Exercise Price, the Company shall have the right, in its sole discretion, to cause the Warrants to be exercised at the Exercise Price, subject to the limitations set forth in Section 2(d) (including, for the avoidance of doubt, that no prior inability to exercise this Warrant, in whole or in part, shall have any effect on the applicability of the provisions of Section 2(d) with respect to any subsequent determination of exercisability). If the Company elects to exercise such right, it shall notify the Holder of such election in writing, and the Holder shall have five (5) Business Days to provide a Notice of Exercise in accordance with Section 2(c) (which, for the avoidance of doubt, may include a cash or Cashless Exercise at the Holder’s sole discretion), otherwise the Holder shall be deemed to have elected a Cashless Exercise.

Section 3. Certain Adjustments.

(a) Stock Dividends, Subdivision, Combinations and Consolidations. If the Company, at any time while this Warrant is outstanding (in whole or in part): (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock (or other class of Capital Stock of the Company then issuable upon exercise of this Warrant) or any other equity or equity equivalent securities payable in shares of Common Stock (or such other class of Capital Stock) (which, for avoidance of doubt, shall not include any shares of Common Stock (or such other class of Capital Stock) issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock (or other class of Capital Stock of the Company then issuable upon exercise of this Warrant) into a larger number of shares or (iii) combines or consolidates (including, without limitation, by reverse stock split) outstanding shares of Common Stock (or other class of Capital Stock of the Company then issuable upon exercise of this Warrant) into a smaller number of shares, then in each case the Exercise Price shall be adjusted by multiplying the Exercise Price immediately before the applicable corporate action by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and thereafter the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or consolidation. If the Company, at any time while this Warrant is outstanding (in whole or in part) distributes rights on shares of its Common Stock (or other class of Capital Stock of the Company then issuable upon exercise of this Warrant) in connection with a shareholder rights plan, no adjustment shall be made pursuant to this Section 3 and any such rights shall accompany the Warrant Shares issued pursuant to this Warrant if such shareholder rights plan remains in effect.

(b) Reclassifications, Reorganizations, Consolidations, Mergers and Sales. Other than in a transaction contemplated by the last sentence of Section 2(e), in the event of (i) any capital reorganization of the Company, (ii) any reclassification or recapitalization of the stock of the Company (other than (x) a change in par value or from par value to no par value or from no par value to par value or (y) as a result of a stock dividend, subdivision, combination or consolidation of shares as to which Section 3(a) shall apply), (iii) any consolidation or merger of the Company with or into another Person (where the Company is not the surviving corporation or where there is a change in or distribution with respect to the Common

Stock or any other class of Capital Stock then issuable upon exercise of this Warrant), (iv) any sale of all or substantially all of the assets of the Company, or (v) any similar transaction, this Warrant shall remain outstanding and, after such reorganization, reclassification, recapitalization, consolidation, merger, sale or similar transaction, be exercisable for the kind and number of shares of stock or other securities or property (“Alternate Consideration”) of the Company or of the successor corporation resulting from such consolidation or sale, or surviving such merger, if any, to which the holder of the number of Warrant Shares underlying this Warrant (at the time of such reorganization, reclassification, recapitalization, consolidation, merger, sale or similar transaction, and subject to the limitations set forth in Section 1 and Section 2) would have been entitled upon such reorganization, reclassification, recapitalization, consolidation, merger, sale or similar transaction. In such event, the aggregate Exercise Price otherwise payable for the shares of Common Stock (or such other class of Capital Stock) issuable upon exercise of this Warrant shall be allocated among the Alternate Consideration receivable as a result of such reorganization, reclassification, recapitalization, consolidation, merger, sale or similar transaction, in proportion to the respective fair market values of such Alternate Consideration. If and to the extent that the holders of Common Stock (or such other class of Capital Stock) have the right to elect the kind or amount of consideration receivable upon consummation of such reorganization, reclassification, recapitalization, consolidation, merger, sale or similar transaction, then the consideration that the Holder shall be entitled to receive upon exercise shall be specified by the Holder, which specification shall be made by the Holder by the later of (A) ten (10) Business Days after the Holder is provided with a final version of all material information concerning such choice as is provided to the holders of Common Stock (or such other class of Capital Stock), and (B) the last time at which the holders of Common Stock (or such other class of Capital Stock) are permitted to make their specifications known to the Company; provided, however, that if the Holder fails to make any specification within such time period, the Holder’s choice shall be deemed to be whatever choice is made by a plurality of all holders of Common Stock (or such other class of Capital Stock) that are not affiliated with the Company (or, in the case of a consolidation, merger, sale or similar transaction, any other party thereto) and affirmatively make an election (or of all such holders if none of them makes an election). From and after any such reorganization, reclassification, recapitalization, consolidation, merger, sale or similar transaction, all references to “Warrant Shares” herein shall be deemed to refer to the Alternate Consideration to which the Holder is entitled pursuant to this Section 3(b). The provisions of this clause shall similarly apply to successive reorganizations, reclassifications, recapitalizations, consolidations, mergers or sales.

(c) Other Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) other than any dividend or distribution referred to in Section 3(a) or Section 3(b) (a “Distribution”), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder’s right to participate in any such Distribution would result in the Holder exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right

thereto would not result in the Holder exceeding the Maximum Percentage). To the extent that this Warrant has not been partially or completely exercised at the time of such Distribution, such portion of the Distribution shall be held in abeyance for the benefit of the Holder until the Holder has exercised this Warrant.

(d) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock (or such other Company security as is then issuable upon exercise of this Warrant) deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (or such other Company security) (excluding treasury shares, if any) issued and outstanding on such date.

(e) Notice to Holder.

(i) Adjustment to Terms of Warrant. Whenever any of the terms of this Warrant are adjusted pursuant to any provision of this Section 3 or any other applicable provision hereof, the Company shall promptly send to the Holder a notice signed by a duly authorized officer of the Company and setting forth (x) the Exercise Price, number of Warrant Shares and, if applicable, the kind and amount of Alternate Consideration purchasable hereunder after such adjustment and (y) the facts requiring such adjustment in reasonable detail.

(ii) Notice to Allow Exercise by Holder. If, during the period in which this Warrant is outstanding, (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non -public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant and Warrant Shares.

(a) Restrictive Legend. Until such time as no longer required by applicable securities laws, this Warrant and the Warrant Shares (unless and until sold in a transaction registered under the Securities Act of 1933, as amended (the "Securities Act") or, in the case of Warrant Shares, transferred pursuant to Rule 144 promulgated under the Securities Act, or any successor rule or regulation hereafter adopted by the Commission, as such rule may be amended from time to time ("Rule 144")) will be stamped or imprinted with a legend in substantially the following form:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT UNDER ANY CIRCUMSTANCES BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY OTHER APPLICABLE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE SECURITIES LAWS.

(b) Transferability. Subject to the provisions of Section 4(a), the Holder may sell, assign, transfer, pledge or dispose of all or any portion of this Warrant at any time or from time to time. In connection with any transfer of all or any portion of this Warrant, the Holder must provide an assignment form substantially in the form attached hereto as Exhibit B duly completed and executed by the Holder or any such subsequent Holder, as applicable, and the proposed transferee must consent in writing to be bound by the terms and conditions of this Warrant. Any transfer of all or any portion of this Warrant shall also be subject to the Securities Act and other applicable federal or state securities or blue sky laws. Upon any transfer of this Warrant in full, the Holder shall be required to physically surrender this Warrant to the Company within three (3) Trading Days of the date the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued; provided that if the Holder or their assignee request, and upon receipt of this Warrant, the Company shall issue each the Holder and its assignee new Warrants each providing for the purchase of the number of shares of Common Stock set forth in such request, which amounts, when taken together shall equal the number of Warrant Shares issuable under this Warrant. This Warrant or any portion thereof shall not be sold, assigned, transferred, pledged or disposed of in violation of the Securities Act, federal or state securities laws or the Company's certificate of incorporation.

(c) Warrant Register. The Company shall register this Warrant upon records to be maintained by or on behalf of the Company for that purpose (the "Warrant Register") in the name of the record Holder hereof from time to time. Absent manifest error or actual notice to the contrary, the Company may deem and treat the Holder of this Warrant so registered as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes.

Section 5. Miscellaneous.

(a) No Rights as Stockholder Until Exercise. Except as expressly set forth herein, this Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(c).

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon delivery by the Holder to the Company of (i) notice of the loss, theft, destruction or mutilation of this

Warrant and (ii) in the case of loss, theft or destruction, an indemnity agreement in a form and amount reasonably satisfactory to the Company or, in the case of mutilation, surrender of the mutilated Warrant, the Company will make and deliver a new Warrant of like tenor dated as of the Issue Date.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

(d) Authorized Shares. The Company covenants that, during the period this Warrant is exercisable (in whole or in part), it will reserve from its authorized and unissued Common Stock, free from any preemptive rights and free from all taxes, liens and charges, a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any national securities exchange upon which the Common Stock is listed or traded and that upon issuance, the Warrant Shares will be listed on any national securities exchange upon which the Common Stock is listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and full payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and non-assessable, not subject to any preemptive rights and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

(e) Replacement of Warrant. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of a customary indemnity agreement reasonably satisfactory to the Company or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will issue, in lieu thereof, a new Warrant of the same tenor and date.

(f) Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflict of laws thereof. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY.

(g) Nonwaiver. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies.

(h) Notices. All notices referred to herein shall be in writing and, unless otherwise specified herein, all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or three (3) Business Days after the mailing thereof if sent by registered or certified mail with postage prepaid, or by private courier service addressed: (i) if to the Company, to its office at Applied Digital Corporation, 3811 Turtle Creek Blvd., Suite 2100, Dallas, Texas, 75219 (Attention: Chief Financial Officer), (ii) if to any Holder, to such Holder at the address of such Holder as listed in the stock record

books of the Company or (iii) to such other address as the Company or any such Holder, as the case may be, shall have designated by notice similarly given.

(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(j) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

(k) Amendment. Subject to the requirements of Section 2(d)(i), this Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

(l) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(m) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(n) Tax Treatment. The Company and the Holder hereby acknowledge and agree that, for U.S. federal income tax purposes, the Warrant is part of an investment unit (the "Investment Unit") within the meaning of Section 1273(c)(2) of the Internal Revenue Code that includes the loans under the Promissory Note and, if applicable, the Long Form Credit Documentation (the "Loans"). The Holder will determine, taking into consideration in good faith the reasonable comments of the Company, (i) the fair market value of the Warrants and (ii) the issue price (within the meaning of Section 1273(b) of the Internal Revenue Code) and original issue discount as defined in Section 1273 of the Internal Revenue Code applicable to the Loans, in each case, consistent with this Section 5(n) and Section 1.1273-2(h) of the United States Treasury Regulations, and the Holder will inform the Company of such determination. The parties hereto agree to report all income tax matters with respect to the Warrants consistent with this Section 5(n) and shall not take any action or file any tax return, report or declaration inconsistent herewith unless required to do so by a change in applicable law or pursuant to a final determination pursuant to Section 1313(a)(1) of the Internal Revenue Code.

[Signatures Contained on the Following Page]

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the Issue Date.

APPLIED DIGITAL CORPORATION

By: ___
Name:
Title:

[Signature Page to Common Stock Purchase Warrant]

EXHIBIT A
NOTICE OF EXERCISE

To: Applied Digital Corporation

Reference is made to that certain Common Stock Purchase Warrant (the “Warrant”) issued by Applied Digital Corporation, (the “Company”) on [●]. Capitalized terms used but not otherwise defined herein shall have the respective meanings given thereto in the Warrant.

(1) The undersigned Holder of the Warrant hereby elects to exercise the Warrant for _____ Warrant Shares, subject to (check one):

- delivery of the aggregate Exercise Price for the Warrant Shares as to which the Warrant is so exercised; or
- tender of _____ Warrants pursuant to the cashless exercise provisions of Section 2(e) of the Warrant.

The undersigned Holder hereby instructs the Company to issue the applicable number of Warrant Shares, or the net number of shares of Common Stock issuable upon exercise of the Warrant pursuant to the cashless exercise provisions of Section 2(e) of the Warrant, in the name of the undersigned Holder.

(2) The undersigned Holder hereby represents and warrants to the Company that, as of the date hereof:

1. Experience; Accredited Investor Status. The Holder (i) is an accredited investor as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act, (ii) is capable of evaluating the merits and risks of its investment in the Company, (iii) has the capacity to protect its own interests, and (iv) has the financial ability to bear the economic risk of its investment in the Company.
2. Company Information. The Holder has been provided access to all information regarding the business and financial condition of the Company, its expected plans for future business activities, material contracts, intellectual property, and the merits and risks of its purchase of the Warrant Shares, which it has requested or otherwise needs to evaluate an investment in the Warrant Shares. It has had an opportunity to discuss the Company’s business, management and financial affairs with directors, officers and management of the Company and has had the opportunity to review the Company’s operations and facilities. It has also had the opportunity to ask questions of, and receive answers from, the Company and its management regarding the terms and conditions of this investment and all such questions have been answered to its satisfaction.
3. Investment. The Holder has not been formed solely for the purpose of making this investment and is acquiring the Warrant Shares for investment for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution of any part thereof. It understands that the Warrant Shares have not been registered under the Securities Act or applicable state and other securities laws and are being issued by reason of a specific exemption from the registration provisions of the Securities Act and applicable state and other securities laws, the availability of which

depends upon, among other things, the bona fide nature of the investment intent and the accuracy of its representations as expressed herein.

4. Transfer Restrictions. The Holder acknowledges and understands that (i) transfers of the Warrant Shares are subject to transfer restrictions under the federal securities laws and (ii) it may have to bear the economic risk of this investment for an indefinite period of time unless the Warrant Shares are subsequently registered under the Securities Act and applicable state and other securities laws or unless an exemption from such registration is available.

Name of Registered Owner:

Signature of Authorized Signatory of
Registered Owner

Name of Authorized Signatory:

Title of Authorized Signatory:

Date:

EXHIBIT B
ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____ (Please Print)

Address:

Dated: ____/____/____ (Please Print)

Holder's Signature:

Holder's Address:

Exhibit B-1

WAIVER AGREEMENT

(APLD Holdings 2 LLC Promissory Note)

This WAIVER AGREEMENT (this "Waiver Agreement"), is dated as of August 11, 2024 and entered into by and among APLD HOLDINGS 2 LLC, a Delaware limited liability company (the "Company") and the LENDERS party hereto, relating to that certain Note referred to below.

RECITALS:

WHEREAS, the Company has entered into that certain Promissory Note, dated June 7, 2024 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Note");

WHEREAS, pursuant to the terms of the Note, the Lenders have agreed to make Additional Loans subject to the terms and conditions set forth in the Note;

WHEREAS, in order to continue to fund Project Costs related to the ELN-02 Project, in accordance with Section 8(b) of the Note, the Company has requested that the Lenders agree to grant the limited waivers and consents as provided for herein; and

WHEREAS, the Lenders have agreed to grant such waivers and consents effective as of the Waiver Effective Date (as defined below) and otherwise provided for herein, subject to the satisfaction of the conditions precedent to effectiveness set forth in Section 3 hereof on such date.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the parties hereto hereby agree as follows:

Section 1. Definitions; Rules of Construction

1. Except as otherwise expressly defined herein, capitalized terms used and not defined in this Waiver Agreement (including the preamble and recitals hereto) shall have the respective meanings given to them in Annex A of the Note by reference or otherwise.
2. The rules of construction set forth in Annex A of the Note shall apply to this Waiver Agreement as if set forth herein.

Section 2. Waivers; Consents

1. Waiver for Additional Loan. Subject to the terms and conditions set forth herein, as of the Waiver Effective Date, for purposes of the Lenders making Additional Loans under the Final \$40 Million Committed Amount in an aggregate principal amount of up to \$20,000,000 (the "Subject Loan"), the Lenders hereby agree to (i) waive the requirements set forth in Section 2(a)(ii)(A)(2) of the Note solely to the extent required to permit the Lenders to make the Subject Loan and (ii) consent and agree that a
-

written borrowing request may be provided with respect to the Subject Loan at least one (1) Business Day prior to the proposed advance date pursuant to Section 2(a)(i) of the Note.

2. Additional Warrants. The Company and the Lenders hereby consent and agree that (i) notwithstanding anything to the contrary in Section 2(a)(ii) of the Note, Additional Warrants in the full amount of the Remaining Warrant Amount shall be required to be issued by the Sponsor to a designee of the Lenders (and any deliverables set forth in Section 2(a)(ii)(C) of the Note required in connection with the Additional Warrant Issuance shall be delivered) in connection with making the Subject Loan and (ii) after giving effect to the advance of the Subject Loan, \$20,000,000 of the Final \$40 Million Committed Amount remains available for future advances of Additional Loans during the Availability Period subject to all terms and conditions set forth in the Note, including the conditions set forth in Section 2(a)(ii)(A)(2) of the Note, except that upon the completion of the Additional Warrant Issuance for the entire Remaining Warrant Amount in accordance with the conditions to effectiveness of this Waiver Agreement, the condition to issue Additional Warrants under Section 2(a)(ii)(C) shall no longer apply.

Section 3. Waiver Effectiveness.

1. Conditions Precedent. The effectiveness of this Waiver Agreement is subject to satisfaction of the following conditions precedent (the date on which all of the following conditions are satisfied or waived in accordance with the Note, the “Waiver Effective Date”):

(a) The Lenders shall have received from the Company and each Lender, counterparts of this Waiver Agreement signed on behalf of such party.

(b) The Company shall have delivered a written borrowing request in form and substance acceptable to the Lenders.

(c) All conditions precedent set forth in Part II of Annex E of the Note shall have been satisfied, as certified in a certificate of a responsible officer of the Company as required thereunder.

(d) The Sponsor shall have made the Additional Warrant Issuance required in connection with the Final \$40 Million Committed Amount providing for Additional Warrants for the full Remaining Warrant Amount (and any deliverables set forth in Section 2(a)(ii)(C) of the Note required in connection with the Additional Warrant Issuance shall be delivered), and all conditions precedent set forth in Part III of Annex E of the Note shall have been satisfied, in each case as certified in a certificate of a responsible officer of the Sponsor in accordance with Part II of Annex E.

(e) The Lenders shall have received a full, correct and complete copy of the extension of the Letter of Intent with the counterparty to the proposed hyperscale lease agreement with respect to the ELN-02 Project as in effect on the date of this Waiver Agreement.

(f) CIM Group Acquisitions, LLC shall have received a fully executed side letter from the Sponsor and the Company in form and substance satisfactory to it.

(g) The Company shall have delivered, or caused to be delivered, to the Collateral Agent and the Lenders (A) a first priority Mortgage Assignment of Leases and Rents and Security Agreement executed and delivered by the Company or its applicable Subsidiary to the Collateral Agent as security for the Secured Obligations encumbering its or its applicable Subsidiary’s owned real property adjacent to the existing site for the ELN-02 Project (the “Additional Land”, and such mortgage the “Additional

Mortgage”) and (B) an opinion of local counsel with respect to the Additional Mortgage, in form and substance satisfactory to the Lenders.

(h) The Sponsor shall have complied with the covenant in Section 4(f).

(i) The Lenders and their counsel shall have received for their respective accounts all fees, costs and expenses (to the extent invoiced at least one (1) Business Day prior to the Waiver Effective Date or as otherwise reasonably agreed by the Company) due and payable on the Waiver Effective Date pursuant to Section 7 of the Note.

Section 4. Representations and Warranties; Covenants

1. Representations and Warranties. The Company hereby represents and warrants to the Lenders and other Secured Parties the following:

(a) (A) the execution, delivery and performance of this Waiver Agreement and the transactions contemplated hereby are within the Company’s organizational powers and have been duly authorized by all necessary organizational and, if required, shareholder, partner or member, action, (B) this Waiver Agreement has been duly executed and delivered by the Company and the officer executing this Waiver Agreement on its behalf has been duly authorized to execute and deliver the same and bind it with respect to the provisions hereof, and (C) this Waiver Agreement constitutes a legal, valid and binding obligation of the Company, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to the general principles of equity, regardless of whether considered in a proceeding in equity or in law;

(b) as of the Waiver Effective Date and immediately prior to and immediately after giving effect to this Waiver Agreement, no Default or Event of Default under the Note or any other Note Document has occurred and is continuing;

(c) the representations and warranties of the Credit Parties set forth in the Note Documents are true and correct in all material respects (unless already qualified by materiality in which case such applicable representation and warranty are true and correct) on and as of the Waiver Effective Date, except to the extent any such representations and warranties are expressly limited to an earlier date, in which case, on and as of the Waiver Effective Date, such representations and warranties continue to be true and correct in all material respects (unless already qualified by materiality in which case such applicable representation and warranty is be true and correct) as of such specified earlier date; and

(d) (A) all accounts of the ELN-01 Project Company and the Jamestown Project Company with Frost Bank have been permanently closed, (B) the account of the ELN-02 Project Company with Frost Bank will remain open solely for the purpose of supporting the MCU Letter of Credit (the “ELN-02 LOC Support Account”) and there are no other accounts with Frost Bank at the ELN-02 Project Company, and (C) (1) all of the master services agreements in respect of the Projects owned by the Jamestown Project Company and the ELN-01 Project Company have been assigned to the Company, and (2) all purchase orders of the ELN-02 Project Company and all other project contracts (other than those purchase orders listed on Annex F of the Note) have been assigned to the Sponsor (all such agreements that have been so assigned are listed on Annex A to this Waiver Agreement), and all such agreements referred to in this clause (2) that have been assigned are subject to the Lien of the Collateral Agent in favor of the Secured Parties pursuant to the Sponsor Security Agreement.

2. ELN-02 LOC Support Account. The Company agrees, and agrees to cause the ELN-02 Project Company, to use the ELN-02 LOC Support Account solely for the purpose of providing cash collateral for the MCU Letter of Credit in the manner such account is used on the date of this Waiver Agreement and shall not use or permit such account to be used for any other purpose.

3. Title Covenant. Within thirty (30) days of the date of this Waiver Agreement (or such longer period as agreed by the Lenders in their reasonable discretion), the Company shall satisfy the conditions set forth in Section 4(h)(iv) of the Note with respect to the Additional Land and the Additional Mortgage.

4. Purchase Orders. By no later than August 31, 2024, the Company (i) shall cause the ELN-02 Project Company to enter into purchase orders for the delivery of back-up generators sufficient for “Building A” (100 MW) of the ELN-02 Project, which purchase orders shall permit collateral assignment to the Lenders and shall be subject to the Lien of the Lenders pursuant to the Security Documents in a manner satisfactory to the Lenders, and (ii) shall provide full, correct and complete copies of such purchase orders to the Lenders. Promptly after executing such purchase orders, the Company shall deliver an updated Annex F of the Note to the Lenders that includes such purchase orders.

5. Lease Covenant.

(a) The Company agrees to keep the Lenders apprised of material decisions and the activities with respect to and all material negotiations related to the process, terms and counterparties of the proposed hyperscale lease for the ELN-02 Project (the “ELN-02 Lease”) once every two weeks (or more frequently as the Lenders may request).

(b) Upon Lender’s request, the Company shall provide the Lenders (A) copies of the draft definitive documentation for the ELN-02 Lease as soon as available (and keep the Lenders copied on material revisions to the same) and such other information related thereto as reasonably requested by the Lenders and (B) promptly upon execution and delivery thereof, a certified copy from a responsible officer of the Company of the ELN-02 Lease.

6. Equity Contribution. As of the Waiver Effective Date, the Sponsor shall have made cash equity contributions to the common equity of the ELN-02 Project Company (or made cash payments directly to contractors) in each case for the payment of project costs for the development and construction of the ELN-02 Project in an aggregate amount of not less than \$20,000,000, and shall have provided to the Lenders supporting evidence of such contributions and payments reasonably satisfactory to the Lenders.

7. Treatment under Note. Failure to observe or perform any covenant, condition or agreement in Section 4(c), Section 4(d) or Section 4(f) shall be an Event of Default under Section 5(d) of the Note and with respect to any other covenant herein, shall be, following expiration of applicable cure periods, an Event of Default under Section 5(e) of the Note.

Section 5. Miscellaneous

1. The Company agrees to pay all reasonable and documented out-of-pocket costs and expenses incurred by the Collateral Agent or the Lenders in connection with this Waiver Agreement and the transactions contemplated hereby and any other documents prepared in connection herewith or therewith, as set forth in Section 7 of the Note, including those resulting from the engagement of any counsels or consultants.

2. This Waiver Agreement shall not constitute a waiver of any action or transaction other than as specifically provided herein, and shall not constitute a modification of any provision, term or condition of the Note or any other Note Document except solely to the extent and solely for the purposes described herein. Except to the extent that provisions of the Note are hereby expressly waived or amended, the other provisions of the Note shall remain unchanged and in full force and effect. Nothing herein shall be deemed to entitle any Credit Party to a future consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Note or any other Note Document in similar or different circumstances.

3. This Waiver Agreement shall for all purposes be a Note Document under the Note.

4. Except as expressly provided herein, nothing contained in this Waiver Agreement shall abrogate, prejudice, diminish or otherwise affect any powers, right, remedies or obligations of any Person arising before the date of this Waiver Agreement. By signing this Waiver, the Company confirms, on its behalf and on behalf of each Credit Party, that notwithstanding the effectiveness of the terms hereof, the Note and the other Note Documents are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects.

5. THIS WAIVER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. The fourth and fifth paragraph of Section 8(d) of the Note are hereby incorporated herein, mutatis mutandis.

6. This Waiver Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. The words “execution,” “execute,” “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Waiver Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Lenders, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Lenders are under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Lenders pursuant to procedures approved by it.

7. Any provision of this Waiver Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof or thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

8. Headings used herein are for convenience of reference only, are not part of this Waiver Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Waiver Agreement.

9. Nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Note or any other Note Document or instruments securing the same, which shall remain in full force and effect as modified hereby or by instruments executed concurrently herewith.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Waiver Agreement to be duly executed and delivered by their respective officers or representatives thereunto duly authorized, as of the date first above written.

APLD HOLDINGS 2 LLC,
a Delaware limited liability company

By: /s/ David Rench
Name: David Rench
Title: CFO

[APLD – Signature Page to Waiver Agreement]

CIM APLD LENDER HOLDINGS, LLC,
as Collateral Agent and Lender

By: /s/ David Thompson

Name: David Thompson

Title: Vice President and Chief Financial Officer

[APLD – Signature Page to Waiver Agreement]