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Applied Digital Announces Groundbreaking of High Performance Computing Facility in Jamestown, North Dakota

The Company's Project in North Dakota Supports Applied Digital's Expansion and Market Demand for Hosting High-Performance Computing (HPC) Applications

DALLAS, Dec. 14, 2022 (GLOBE NEWSWIRE) -- [Applied Digital Corporation](#) (Nasdaq: APLD) ("Applied Digital" or the "Company"), announced today the groundbreaking of its latest specialized processing center, a five-megawatt ("MW") facility next to the Company's currently operating 100-MW hosting facility in Jamestown, North Dakota. This separate and unique building, designed and purpose-built for Graphics Processing Units ("GPUs"), will sit separate from the Company's current buildings and plans to host more traditional high performance computing ("HPC") applications, such as natural language processing, machine learning, and additional HPC developments.

The new 16,382-square foot building is planned for energization in the first calendar quarter of 2023 and is designed with the purpose of providing ultralow cost and high-efficiency infrastructure for HPC.

"Our greatest asset is our ultra-low-cost-power and the ability to build near the source of power in more remote locations," said Applied Digital Chairman and CEO, Wes Cummins. "In the past, datacenters were built to support high speed, ultra-low latency communications applications, but these new HPC applications such as machine learning, artificial intelligence and others require a large amount of compute power rather than ultra-low latency communications. This means the digital infrastructure should be built differently and Applied Digital's homogenous style datacenters can streamline and significantly lower the cost for running these applications."

Applied Digital has GPUs operating at present with the Company's technology partner that has commenced testing. Once the HPC facility is completed, the project is expected to move to a pilot program with 300 GPUs and the initial customer launch is expected in the first calendar quarter of 2023. Full scale operations are expected out of the facility shortly thereafter. The first customer is expected to primarily use the capacity for machine learning (ML).

In addition to the ML application, Applied Digital is hosting 128 GPUs in a retrofitted portion of an existing building in Jamestown for Web3 applications with an additional non-cryptocurrency customer.

“Natural language processing and other machine learning workloads continue to expand rapidly and Applied Digital aims to be at the forefront of enabling these,” said Applied Digital’s Co-Founder, Jason Zhang. “Due to the considerable amount of computing power required and the Company’s ability to execute, Applied Digital is building greater value for our clients and shareholders.”

As the HPC market continues to grow with [expected revenue of \\$65.12](#) billion globally by 2030, Applied Digital’s advancements into these adjacent markets are reflected in [the recent name change from Applied Blockchain](#) to Applied Digital.

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. The Company has partnered with the most recognized names in the industry to develop, deploy, and scale its business. Find more information at www.applieddigital.com. Follow us on Twitter at [@APLDdigital](https://twitter.com/APLDdigital).

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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