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ChronoScale

ChronoScale Announces New Development Partnership to Accelerate AI Compute Capacity Deployment, Supported by a Significant Capital Raise

Initial deployment for a leading frontier AI lab

The initial deployment carries a total contract value of $7.5 billion over six years

- *Up to $750 million financing with participation by four strategic investors, including among others, Nutanix, Empery Digital Inc., and a storage infrastructure company*
- *Financing brings together blue chip participants across the AI infrastructure ecosystem*

MENLO PARK, Calif., Nov. 18, 2026 (GLOBE NEWSWIRE) -- ChronoScale Holdings Corporation (Nasdaq: CHRN) ("ChronoScale" or the "Company"), an accelerated compute platform purpose-built to support demanding artificial intelligence workloads, today announced that it has entered into definitive agreements to form a 50/50 development partnership with STN, Inc. to develop its Odessa, Texas site and a $750 million financing including strategic investors. The partnership's site will house a large-scale AI infrastructure deployment with a leading frontier AI lab. The agreement contemplates AI infrastructure capacity across three phases with the first phase ordered and scheduled for deployment in the first half of calendar year 2027. GPU configurations vary by phase. On a blended basis across all three phases, the agreement represents approximately $20.8 million of annual revenue per megawatt. Each of the Company and STN will contribute $390 million in value to the partnership in exchange for a 50% interest, subject to HSR clearance.

A substantial portion of the first phase is backstopped by credit support from an investment-grade technology company and is expected to provide up to $7.5 billion in total contract value ("TCV") to the partnership over six years.

"We continue to see frontier AI moving beyond incremental compute expansion toward infrastructure commitments measured in hundreds of megawatts," said Cenly Chen, Chief Executive Officer of ChronoScale. "We believe delivering at this scale requires more than access to technology. Capital, strategic partnerships, and operational capabilities are critical to bring complex deployments online in a reliable manner. This new agreement and financing, along with the support of our key strategic investors represents to us the confidence placed in our ability to execute and establish a strong foundation for ChronoScale's continued growth."

$750 Million Financing

The financing consists of $250 million in equity and an up to $500 million convertible preferred facility. A portion of the common equity will be initially issued pursuant to a note

structure held by Applied Digital Corporation, subject to conversion into underlying shares of common equity in Q4 2026. The convertible preferred facility is structured with an initial minimum conversion price of $12 per share and may be drawn by the Company over a four-year period, subject to certain customary draw conditions for facilities of this type. Upon closing, the Company expects to draw $10 million under the convertible preferred facility, with the remaining capacity providing ChronoScale with additional financing to support future deployment requirements.

Four strategic investors are participating in the financing: a leading frontier AI lab, Nutanix, Empery Digital Inc., and a storage infrastructure company. The equity investments to be made by these blue chip partners, as well as other institutional investors, collectively underscore, for us the strategic importance of ChronoScale bringing together the technology, capital and infrastructure capabilities required to deliver AI compute at scale.

The equity financing is intended to support ChronoScale's phased infrastructure deployment strategy under the development partnership, while the convertible preferred facility is intended to provide financial flexibility as the Company scales its operations to meet accelerating customer demand.

Goldman Sachs & Co. LLC is serving as exclusive capital markets advisor to ChronoScale and is acting as lead placement agent for the financing. Northland Capital Markets is acting as co-placement agent for the financing. Lake Street Capital Markets and B. Riley Securities are serving as senior financial advisors, and Lucid Capital Markets and Needham & Company are serving as financial advisors, to ChronoScale.

Development Partnership

The partnership will be a collaboration between the Company and STN, Inc., the initial developer of the data center campus located in Odessa, Texas. The first 65 MW of the planned deployment of this campus is scheduled to be completed in accordance with the deployment schedule. The Company has a right of first offer on the remaining 285 MW of capacity at the campus, to support the second and third phases of the agreement, if those are ordered. The proceeds of the Company’s common equity financing will fund the initial portion of its contribution only, with the balance to be funded from cash on hand, other existing sources of capital, and/or future project financing. The Company will manage the partnership in cooperation with representatives from STN. The Company will initially be entitled to 50% of the profits and losses from the partnership based on its initial common equity ownership.

The closing of the partnership and the financing are each expected to occur on November 18, 2026, subject to the satisfaction or waiver of the closing conditions.

Phased Deployment and Long-Term Growth

ChronoScale is building an end-to-end AI infrastructure ecosystem designed to bring together hyperscalers, storage innovators, hardware manufacturers, and AI software companies. Through its expanding AI infrastructure footprint and strategic partnerships, the Company is focused on delivering dedicated, production-scale AI environments which it believes are optimized for training, inference, and high-performance computing.

We believe the development partnership marks another significant step in ChronoScale's strategy to establish itself as a global provider of large-scale AI infrastructure, supporting the rapidly expanding compute requirements of frontier AI developers and enterprise customers.

About ChronoScale

ChronoScale (Nasdaq: CHRN) is an accelerated compute platform purpose-built to support demanding artificial intelligence workloads. Focused on large-scale deployments, the platform delivers dedicated compute environments optimized for performance, consistency, and long-term operational execution, with the ability to scale capacity alongside accelerating AI demand.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding: (i) the consummation and timing of the closings of the partnership and the financing; (ii) the expected blended annual revenue per megawatt of $20.8 million, and the Company's expected share; (iii) the expected up to $7.5 billion TCV of the confirmed 65 MW first phase; (iv) potential customer orders for Phases 2 and 3 of the contemplated 350 MW deployment; (v) first-phase deployment in the first half of 2027 and later phases through 2028; (vi) the Company's right of first offer on the remaining 285 MW and potential development of and customer rights concerning the campus's planned capacity; (vii) partnership contributions, management and benefits; (viii) availability and intended use of financing, including the convertible preferred facility; (ix) customer demand; and (x) strategic relationships. These statements use words, and variations of words, such as "anticipate," "believe," "contemplate," "could," "expect," "intend," "may," "plan," "potential," "scheduled," and "will."

These statements reflect management's current expectations and assumptions and are not guarantees. Actual results may differ materially due to risks including: the risk that the closings of the partnership or the financing do not occur on the anticipated timeline or at all; customer or credit support provider nonperformance; contract termination, amendment or nonrenewal; the customer having no commitment to order Phases 2 or 3, without which the partnership's total contract value will be substantially lower; development beyond the confirmed 65 MW, including the remaining 285 MW and expansion, being subject to additional customer orders, exercise of the Company's right of first offer and agreement on terms, definitive agreements, necessary land, permits, power and interconnection capacity, substantial additional financing on acceptable terms, and third-party cooperation; permitting and regulatory approvals, including the permits that may be needed for all phases; construction, equipment, supply chain and deployment delays or cost overruns; power and interconnection availability, cost and timing; funding requirements and preferred equity draw conditions; financing-related dilution; performance of and relationships with STN, Inc. and other partners; competition and demand for AI infrastructure; and other risks described in the Company's most recent Form 10-K and subsequent Forms 10-Q filed with the SEC. No assurance can be given that additional capacity will be ordered, developed or deployed on schedule or at all, or generate anticipated revenue or contract value.

Investors should not place undue reliance on forward-looking statements, which speak only as of the date made. Except as required by law, the Company undertakes no obligation to

update these statements.

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