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Applied Digital Announces Strategic Collaboration with Hewlett Packard Enterprise to Deliver AI Cloud Services

Collaboration Validates and Strengthens APLD's AI Cloud Service with HPE Supercomputers that are Optimized for Large-scale AI

DALLAS, June 30, 2023 (GLOBE NEWSWIRE) -- [Applied Digital Corporation](#) (**Nasdaq: APLD**) ("**Applied Digital**" or the "**Company**"), a designer, builder and operator of next-generation digital infrastructure that is designed for High Performance Computing ("HPC") applications, today announced a collaboration with [Hewlett Packard Enterprise](#) (**HPE**), a global edge-to-cloud company. As part of the collaboration, HPE will deliver its powerful, energy-efficient supercomputers that are proven to support large-scale AI through Applied Digital's AI cloud service.

Applied Digital will leverage HPE Cray XD supercomputers, featuring NVIDIA H100 GPUs, to enhance its AI Cloud service and efficiently support critical workloads such as AI, machine learning, rendering, and HPC tasks involving digital modeling and simulation. By harnessing the power of HPE's supercomputers, Applied Digital will provide its customers with maximum performance to support compute and data-intensive needs with cost-effective solutions.

"We are excited to partner with HPE to elevate our AI Cloud Service offering and further capitalize on the growth we are experiencing in AI applications and demand for our next-generation digital infrastructure," said Wes Cummins, CEO of Applied Digital. "HPE's renowned reputation and expertise in running AI at scale further solidifies our position as a trusted partner in this space. This partnership comes at a pivotal time for our company as we continue to expand our current capacity pipeline of up to 200MW for our HPC data centers."

"Supercomputing is purpose-built and proven to support AI training requirements for a growing market of large-scale AI, such as generative AI. However, most enterprises do not have the expertise, budget, and data center resources to manage the high complexity of supercomputers," said Justin Hotard, executive vice president and general manager, HPC, AI & Labs, at HPE. "We are committed to making our leadership supercomputers accessible through the cloud and look forward to collaborating with Applied Digital to extend the HPE Cray supercomputers to its AI cloud service. The partnership with Applied Digital will enable enterprises to build robust and accurate AI models to unlock value, accelerate time-to-market, and generate business or research-driven outcomes."

Last month, Applied Digital announced the launch of its Cloud Services that will provide high-performance computing power for high density applications. In conjunction with the launch of its Cloud Services, the Company recently announced the signing of its second AI customer with an agreement worth up to \$460 million over a 36-month period.

Applied Digital's next-generation datacenters are ideal for hosting HPC applications on premises. This solution provides high compute power, at a lower cost, to replenish the power density needed for AI/ML workloads.

About Applied Digital

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

About Hewlett Packard Enterprise

Hewlett Packard Enterprise (NYSE: HPE) is the global edge-to-cloud company that helps organizations accelerate outcomes by unlocking value from all of their data, everywhere. Built on decades of reimagining the future and innovating to advance the way people live and work, HPE delivers unique, open and intelligent technology solutions as a service. With offerings spanning Cloud Services, Compute, High Performance Computing & AI, Intelligent Edge, Software, and Storage, HPE provides a consistent experience across all clouds and edges, helping customers develop new business models, engage in new ways, and increase operational performance. For more information, visit: www.hpe.com.

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.

Investor Relations Contacts

Matt Glover or Alex Kovtun
Gateway Group, Inc.
(949) 574-3860
APLD@gateway-grp.com

Media Contact

Robert Collins or Brenlyn Motlagh

Gateway Group, Inc.
(949) 899-3135
APLD@gateway-grp.com



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