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# Applied Digital Launches Independent Fund to Acquire Distressed Cryptocurrency Assets

DALLAS, Nov. 21, 2022 (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, has launched an independent fund aimed at acquiring distressed cryptocurrency assets, which may include mining hardware and digital infrastructure assets. The fund and any acquired assets will be managed by a newly formed entity, Highland Digital, which is a 50/50 joint venture between Applied Digital and GMR Limited ("GMR"). The independent fund is targeting raising capital of up to \$100 million from outside investors. Applied Digital does not anticipate issuing any equity to raise capital for the fund, nor does it plan on directly owning any mining hardware.

The new fund combines Applied Digital's best-in-class digital infrastructure assets and GMR's in-depth experience of managing mining hardware through cryptocurrency market cycles to take advantage of the current distressed environment. GMR is a current customer of Applied Digital.

"The creation of this fund and associated joint venture again demonstrates our creativity and strong industry relationships that position us to capitalize on this volatile market," said Applied Digital Chairman and CEO Wes Cummins. "We have proven ourselves as a leading next-generation datacenter operator and hosting partner and look forward to deepening our partnership with GMR to take advantage of the opportunities we are seeing on a weekly basis.

"Additionally, this fund structure allows the Company's shareholders to participate in the value creation potential of Highland Digital without any capital required from Applied Digital given the external funding plans. However, any successful acquisitions by Highland Digital may provide opportunities for Applied Digital to grow its hosting customer base. We have a strong balance sheet coupled with a high-quality asset base and will keep a disciplined filter on the opportunities assessed by Highland Digital to ensure they maintain these tenants while increasing the value of our company to generate even greater shareholder value."

## 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](http://www.applieddigital.com). Follow us on Twitter at @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) that the Ellendale facility is expected to begin energizing early in the first half of calendar 2023, (ii) statements of Company plans and objectives, including our evolving business model, or estimates or predictions of actions by suppliers, (iii) statements of future economic performance, and (iv) 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: delays in the completion of the Ellendale facility, 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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