



APPLIED BLOCKCHAIN

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Informal Hearing Presentation
Applied Blockchain Inc.

Pages: 8

Company Presentation

September 1, 2021

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Applied Blockchain Inc. Overview



- + Raised \$49M from family offices and institutional investors
- + Launched mining operation in partnership with industry leaders SparkPool and GMR
- + Bitmain investment and partnership provides validation and competitive advantage with access to equipment and hosting leads
- + Launched mining hosting operation with 100MW 5-year hosting agreement in place
- + Visibility to growth potential
- + Projected EBITDA of over \$55M in 2022 and \$155M in 2023
- + APLD will be up-listed to a major US exchange (NYSE/NASDAQ) in the next few months

The Applied Blockchain logo is repeated at the top of the graphic.

APPLIED BLOCKCHAIN

SPARK POOL **GMR** **BITMAIN**

Crypto Mining

An icon representing crypto mining, showing a pickaxe and a shovel.

Crypto Hosting

An icon representing crypto hosting, showing a server rack.

Leadership Team



Management Team



Wes Cummins
Chairman & CEO

- 272 Capital L.P, 2020 – Present, Founder and Chief Executive Officer
- Nokomis Capital, 2012 – 2020, Research Analyst
- B. Riley & Co, 2002 – 2011, President
- Current and Former Board Member at Telenav (NASDAQ: TNAV), Vishay Precision Group, Inc. (NYSE: VPG), and Sequans Communications (NYSE: SQNS)



David Rench
CFO

- Hirzel Capital, 2017 – 2020, Chief Financial Officer
- Ihiji (acquired by Control4 – NASDAQ: CTRL), 2010 – 2017, Vice President
- Essilor Group, 2005 – 2010, Senior Associate, Business Development
- American Airlines, 2000 - 2005, Credit Card Manager and Business Analyst



Etienne Snyman
Head of Power

- Hut 8 Mining Corp. (NASDAQ: HUT), 2017 – 2021, Head of Power
- Atco Power Canada, Ltd., 2012 – 2017, Senior Manager, Distributed Generation & Business Development
- ENMAX, 2008 – 2012, Manager, Commercial Valuations



Nick Phillips
Head of Mining Operations

- Core Scientific, 2017 – 2018, Chief Operating Officer
- Led the buildout of the first sites, including locating power sites, finding contractor, sourcing equipment, building out team, working with local and state governments, etc.



Roland Davidson
Head of Engineering

- REV Engineering, 2008 – 2021, Principal and Director
- Spent the last 4 years designing and building crypto mining facilities, including for Hut 8 Mining Corp. (NASDAQ: HUT)
- Specialized in commissioning, procuring, testing of power system components



Ted McLeod
Head of Procurement

- Core Scientific, 2017 – 2019,
- Managed the buildout of sites on-site, leading procurement and vendor management
- Decades in the electrical industry, building substations, installing turbines, and working with suppliers



Regina Ingel
Head of Operations

- Leading the human resources and hiring efforts
- Managing the PR and media coverage for the mining and hosting services
- Developing government relations, working with legal on exchange listing filings

Direct Investment for First Site



**Direct investment
\$30M for 100MW
of hosting capacity**

→ Power (100MW)



→ Land Purchase



→ Full-time Employees (30+)



→ Materials



→ Contractors/Vendors



→ Utilities (fiber, water, sewage, etc)






Follow-on Investment for First Site



Each 100MW of hosting capacity comes with 30,000 computers, which costs \$200M

Two thick orange horizontal bars are positioned at the bottom of the slide, one above the other, extending across most of the width.

Power Curtailment

1.

Otter Tail Power Sends Instructions to APLD

Otter Tail Power will send an authenticated instruction electronically to APLD with an amount of power we can consume from time to time.

2.

APLD Processes the Instructions

APLD will automatically process the instruction and send a command to our data center management software to decrease or increase the power consumption to the provided limit.

3.

APLD Reduces Power Consumption

Our management system will send commands to our servers to put them to idle or take servers out of idle if the new limit is higher than the current usage, while spreading the allowable consumption across all buildings.

4.

If APLD Does Not Respond Fast Enough...

OTP has the right to remotely shut our breakers.

Jamestown and North Dakota



***State value adds,
increased jobs,
and revenue***

- + Collaborations with The University of Jamestown
- + Community Involvement
- + Bringing Web 3.0 Infrastructure to Jamestown
- + Increased jobs and support in related industries
- + Increased tax revenue
- + Infrastructure improvements
- + Exporter of Bitcoin, Ethereum and other cryptoassets

Accelerate Local Technical Growth



- Work with universities to train more technical talent
- Recruit from existing programs for local jobs
- Provide blockchain education to next generation of professionals
- Run dedicated workshops and training programs in partnership with local universities