

Ault Alliance Issues Letter to Stockholders Summarizing Current Operations and Future Outlook

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LAS VEGAS--(BUSINESS WIRE)-- [Ault Alliance, Inc.](#) (NYSE American: AULT), a diversified holding company (“**Ault Alliance**,” or the “**Company**”), today issued a letter from its Executive Chairman to its valued stockholders.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20240124390400/en/>



Interior Photo of a Portion of the Michigan Data Center (Photo: Business Wire)

Dear Stockholders:

We are pleased to provide you with a

business update as of the date of this letter. Our commitment to transparency and effective communication drives us to share clear and concise information about the Company’s financial status and strategic plans.

As of January 23, 2024, Ault Alliance had 5.9 million shares of common stock outstanding. Based on the Company’s balance sheet as of September 30, 2023, the book value of Ault Alliance’s common stock is approximately \$15.25 per share. In contrast, the Company’s common stock currently trades at a 96% discount to book value and it has a market capitalization of approximately \$3.6 million.

In December 2023, the Company completed a \$41.5 million Series C convertible preferred stock financing with Ault & Company, Inc. (“**A&C**”), an affiliate of the Company. As a result of the A&C financing, the Company repaid \$38.5 million of its senior secured debt, strengthening its balance sheet by reducing the overall debt and increasing stockholders’ equity.

Looking ahead, we project robust financial growth. The Company is targeting gross consolidated revenue of between \$230 million and \$240 million for the year 2024. This projection is a strong indicator of the strength of our business model and our commitment to create value for our stockholders.

In 2024, we plan to adjust our organizational structure to augment the Company’s prospects. Ultimately, this transition will result in two reporting segments, consisting of [Sentinum, Inc.](#) (“**Sentinum**”) and a to-be-formed subsidiary, Ault Capital Group, Inc. (“**Ault Capital Group**”). We believe the growth opportunities available to the Company through Sentinum are extremely attractive and warrant a significant adjustment to capital allocation strategy and future plans. Ault Capital Group contains all investments and entities other than Sentinum, including Circle 8 Crane Services, LLC (“**Circle 8**”) and [RiskOn International, Inc.](#) (“**ROI**”). Over time, we plan to monetize assets within Ault Capital Group to contribute additional capital to the growth of Sentinum and its Artificial Intelligence (“**AI**”) data center operations.

Through Sentinum, we offer colocation and hosting services for emerging AI ecosystems. We plan, subject to raising the necessary capital, to increase power capacity at our Michigan data center to launch and grow hosting services at the facility. Further, the Sentinum team is making progress on developing the Montana data center site, which is now expected to come online during March 2024. Once the Montana site becomes operational, it will significantly change Sentinum's cryptocurrency operations, as we shift bitcoin miners to lower cost power facilities. The ability to operate machines in Montana provides Sentinum the flexibility to either relocate machines from the Michigan data center, thereby increasing the amount of power available for higher margin AI data center operations, or relocate machines that are currently operated pursuant to third party hosting agreements. Either alternative will lead to improvements in Sentinum's profitability.

The Company is also encouraged by the ongoing financial performance at Circle 8, and recent announcements at its majority beneficially owned subsidiary ROI, including the launch of "askROI.com" an innovative generative AI product that is designed to improve the way businesses and individuals manage and access their data.

The Company remains committed to right sizing the undervaluation of its common stock. Given that the Company's common stock trades at a 96% discount to book value, the Company will explore a variety of measures to correct the current low trading price of its common stock.

Overall, I am confident in the plans that the Company's management has laid out for 2024 and beyond. I am committed to the long-term future of this Company and have shown my commitment through a sizable investment from my private holding company, A&C. I believe that 2024 will be a prosperous year for the Company and its subsidiaries as they embark on a mission to become more efficient, improve profitability, and to nurture their respective investments to enhance stockholder value.

Regards,
Milton "Todd" Ault, III
Executive Chairman

Ault Alliance reminds you that its estimates and projections are subject to the volatility in Bitcoin market price, the fluctuation in the mining difficulty level, the ability to build out and provide the necessary power for miners, and other factors that may impact the results of Bitcoin mining production or operations. The Company's trading activities, encompassing both realized and unrealized gains or losses, can cause notable volatility in its reported earnings.

For more information on Ault Alliance and its subsidiaries, Ault Alliance recommends that stockholders, investors, and any other interested parties read Ault Alliance's public filings and press releases available under the Investor Relations section at www.Ault.com or at www.sec.gov.

About Ault Alliance, Inc.

Ault Alliance, Inc. is a diversified holding company pursuing growth by acquiring undervalued businesses and disruptive technologies with a global impact. Through its wholly and majority-owned subsidiaries and strategic investments, Ault Alliance owns and operates a data center at which it mines Bitcoin and offers colocation and hosting services for the emerging artificial intelligence ecosystems and other industries, and provides mission-critical products that support a diverse range of industries, including metaverse platform, oil exploration, crane services, defense/aerospace, industrial, automotive, medical/biopharma, consumer electronics, hotel operations and textiles. In addition, Ault Alliance extends credit to select entrepreneurial businesses through a

licensed lending subsidiary. Ault Alliance's headquarters are located at 11411 Southern Highlands Parkway, Suite 240, Las Vegas, NV 89141; www.Ault.com.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally include statements that are predictive in nature and depend upon or refer to future events or conditions, and include words such as "believes," "plans," "anticipates," "projects," "estimates," "expects," "intends," "strategy," "future," "opportunity," "may," "will," "should," "could," "potential," or similar expressions. Statements that are not historical facts are forward-looking statements. Forward-looking statements are based on current beliefs and assumptions that are subject to risks and uncertainties.

Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update any of them publicly in light of new information or future events. Actual results could differ materially from those contained in any forward-looking statement as a result of various factors. More information, including potential risk factors, that could affect the Company's business and financial results are included in the Company's filings with the U.S. Securities and Exchange Commission, including, but not limited to, the Company's Forms 10-K, 10-Q and 8-K. All filings are available at www.sec.gov and on the Company's website at www.Ault.com.

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