Q4 and FY 2023 Earnings Presentation

March 2024

Disclaimer

Forward-Looking Statements

The information, financial projections and other estimates contained herein contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and future guidance with respect to the anticipated future performance of the Company and its potential carbon capture initiative. Such financial projection, guidance, and estimates are as to future events and are not to be viewed as facts, and reflect various assumptions of management of the Company concerning the future performance of the Company and are subject to significant business, financial, economic, operating, competitive and other risks and uncertainties and contingencies (many of which are difficult to predict and beyond the control of the Company) that could cause actual results to differ materially from the statements and information included herein. Forward-looking statements may include statements about various risks and uncertainties, including those described under the heading "Risk Factors" in our previously filed Annual Report on Form 10-K, filed on April 3, 2023, and in our subsequently filed Quarterly Reports on Form 10-Q. We expect to file our Annual Report on Form 10-K for the 2023 fiscal year on or around March 8, 2024.

In addition, such information, financial projections, guidance and estimates were not prepared with a view to public disclosure or compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants or U.S. generally accepted accounting principles ("GAAP"). Accordingly, although the Company's management believes the financial projections, guidance and estimates contained herein represent a reasonable estimate of the Company's projected financial condition and results of operations based on assumptions that the Company's management believes to be reasonable at the time such estimates are made and at the time the related financial projections and estimates are disclosed, there can be no assurance as to the reliability or correctness of such information, financial projections and estimates, nor should any assurances be inferred, and actual results may vary materially from those projected.

Section 45Q

In January 2021, the IRS issued final regulations under Section 45Q of the Internal Revenue Code, which provides a tax credit for qualified CO2 that is captured using carbon capture equipment and disposed of in secure geological storage (in the event of direct air capture that results in secure geological storage, credits are valued at $180 per ton of CO2 captured) or utilized in a manner that satisfies a series of regulatory requirements (in the event of direct air capture that results in utilization, credits are valued at $130 per ton of CO2 captured). We may benefit from Section 45Q tax credits only if we satisfy the applicable statutory and regulatory requirements, including but not limited to compliance with wage and apprenticeship requirements to receive the $180/ton tax credits, and we cannot make any assurances that we will be successful in satisfying such requirements or otherwise qualifying for or obtaining the Section 45Q tax credits currently available or that we will be able to effectively benefit from such tax credits. We are currently exploring whether our carbon capture initiatives discussed herein would be able to qualify for any 45Q tax credit. It is not entirely clear whether we will be able to meet any required statutory and regulatory requirements, and qualification for any amount of 45Q credit may not be feasible with our currently planned direct air capture initiative. Additionally, the availability of Section 45Q tax credits may be reduced, modified or eliminated as a matter of legislative or regulatory policy. Any such reduction, modification or elimination of Section 45Q tax credits, or our inability to otherwise benefit from Section 45Q tax credits, could materially reduce our ability to develop and monetize our carbon capture program. Any of these factors may adversely impact our business, results of operations and financial condition.

Non-GAAP Measures

This presentation includes financial measures that are not presented in accordance with GAAP. While management believes such non-GAAP measures are useful, it is not a measure of our financial performance under GAAP and should not be considered in isolation or as an alternative to any measure of such performance derived in accordance with GAAP. These non-GAAP measures have limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. The reconciliations for non-GAAP figures to applicable GAAP measures are included in the Appendix.

We have not reconciled non-GAAP forward-looking measures, including EBITDA guidance, to their corresponding GAAP measures due to the high variability and difficulty in making accurate forecasts and projections, particularly with respect to the price of Bitcoin, Bitcoin network hash rate, electricity prices, plant outages, power input costs, and the various assumptions underlying our proposed carbon capture initiative discussed herein, which are difficult to predict and subject to change. Accordingly, such reconciliations of non-GAAP forward-looking measures are not available without unreasonable effort.

Third-Party Information

Certain information contained herein refers to or has been derived from sources prepared by third parties. While such information is believed to be reliable for the purposes used herein, none of the Company or any of its affiliates, directors, officers, employees, members, partners, shareholders or agents make any representation or warranty with respect to the accuracy or completeness of such information. Although the Company believes the sources are reliable, it has not independently verified the accuracy or completeness of data from such sources. Additionally, descriptions herein of market conditions and opportunities are presented for informational purposes only; there can be no assurance that such conditions will actually occur or result in positive returns. Recipients of this presentation should make their own investigations and evaluations of any information referenced herein. The recipient should not construe the contents of this presentation as legal, tax, accounting or investment advice or a recommendation. The recipient should consult its own counsel, tax advisors and financial advisors as to legal and related matters concerning the matters described herein. By reviewing this presentation, the recipient confirms that it is not relying upon the information contained herein to make any decision. This presentation does not purport to be all-inclusive or to contain all of the information that the recipient may require to make any decision.

Stronghold at a Glance

The only environmentally beneficial and vertically integrated public Bitcoin mining company

165 MW

from 2 Mining-Waste-to-Power Facilities: **Scrubgrass** and **Panther Creek**

4.1 EH/s

Current Hash Rate Capacity

7+ EH/s

Data Center Potential from Current Energized Slots

40,000+

Total Slots for Miners

32 J/TH

Current Efficiency

25 MW

Additional Data Center Equipment Inventory

~100,000

Tonnes of CO_2 That We May Be Able to Capture Annually[1]

8th

Potential to Be the 8th Largest Direct Air Capture Project in the U.S.[2,3]

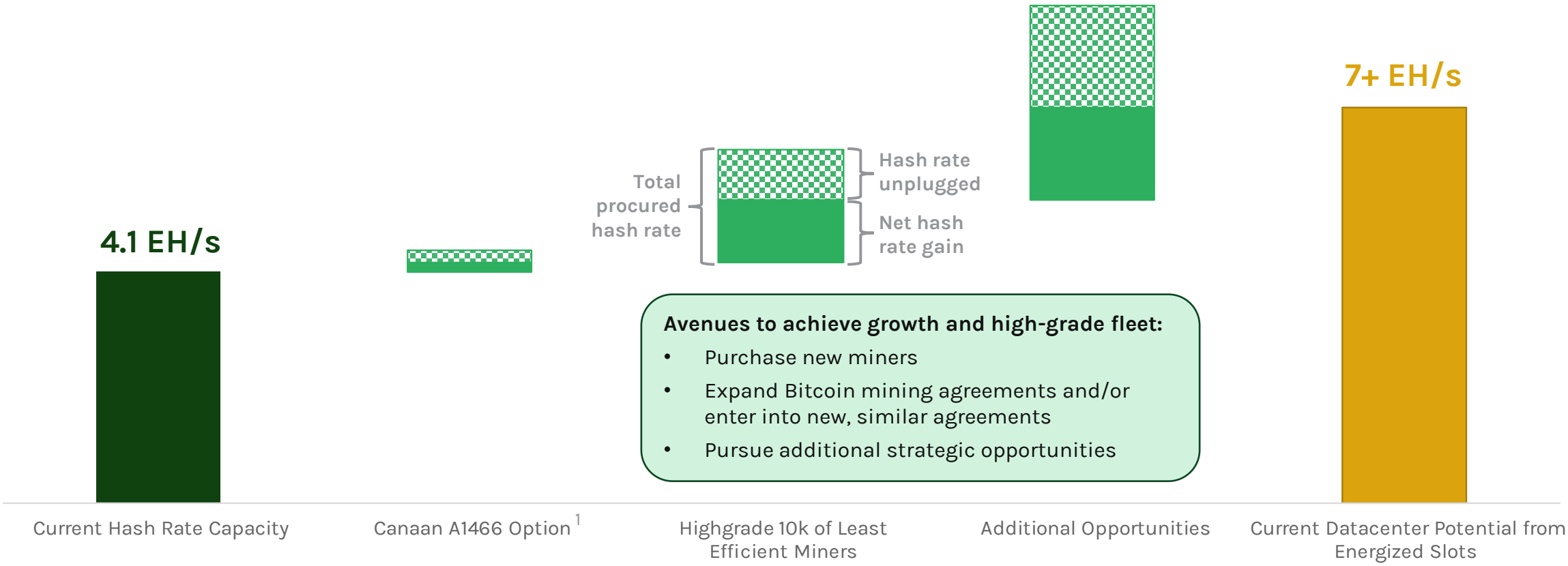
Note: All figures approximated

1. See Disclaimer page and assumptions disclosed in the Company's December 2023 investor presentation
2. Assuming 60,000-100,000 tonnes of CO_2 captured per year, our project has the potential to be the 8th largest of the announced U.S. direct air capture projects tracked by IEA's CCUS Projects Explorer with expected first operation before 2030
3. See: *CCUS Projects Explorer*. IEA, 2023, https://www.iea.org/data-and-statistics/data-tools/ccus-projects-explorer

Potential to Scale Hash Rate Significantly at Existing Data Centers

Ability to plug latest-generation miners into already energized slots

Hash Rate Capacity (EH/s)



Avenues to achieve growth and high-grade fleet:

- Purchase new miners
- Expand Bitcoin mining agreements and/or enter into new, similar agreements
- Pursue additional strategic opportunities

1. Previously disclosed contract per January 2, 2024 press release

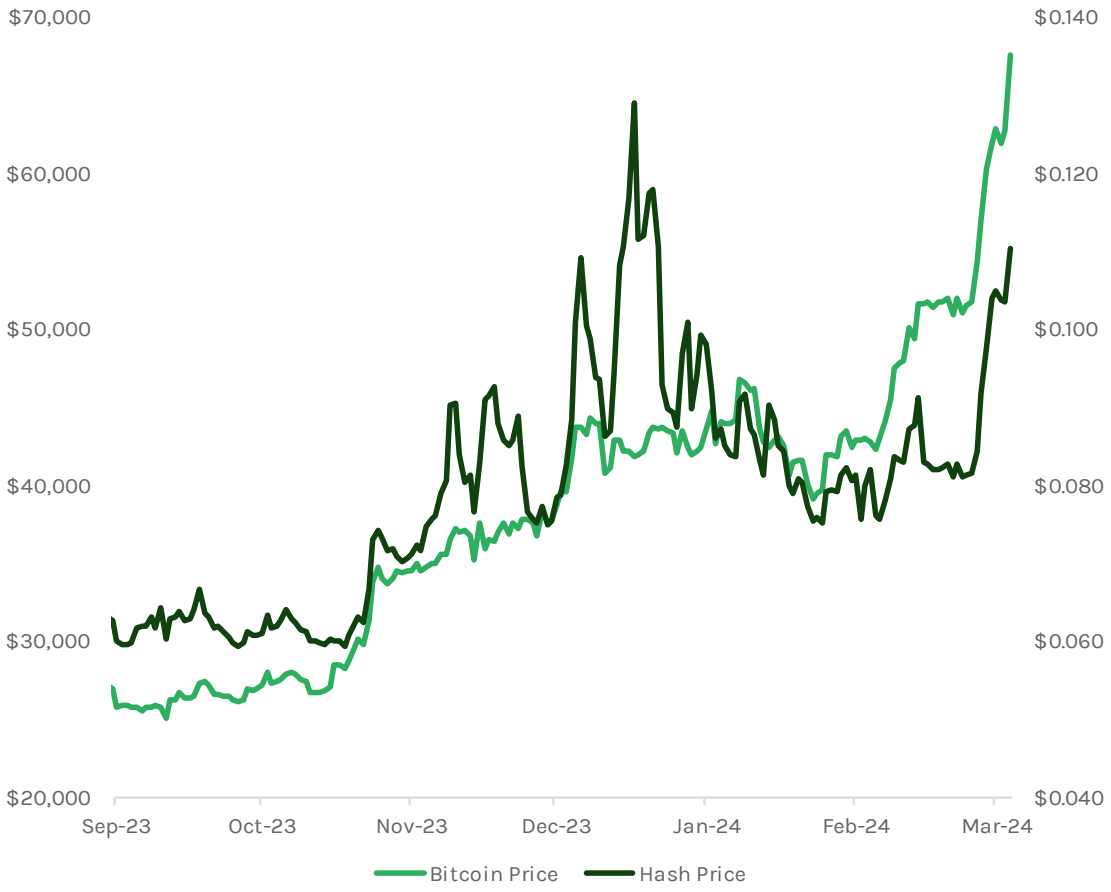
Strengthening Balance Sheet Ahead of the Halving

Cash and BTC [1] As of Feb. 29, 2024	**$10mm**
Projected Q1 2024 Adjusted EBITDA [2]	**>$5mm**
2024 Mandatory Amortization on Senior Secured Debt	**$6.5mm**
2024 Committed Capex Remaining for Bitcoin Miners:	**$0.7mm**

1. Total cash of ~$10mm and ~5 BTC at ~$62k / BTC
2. Assuming $0.10/TH/s per day in March 2024; see disclaimer on page 2

Bitcoin Market Dynamics

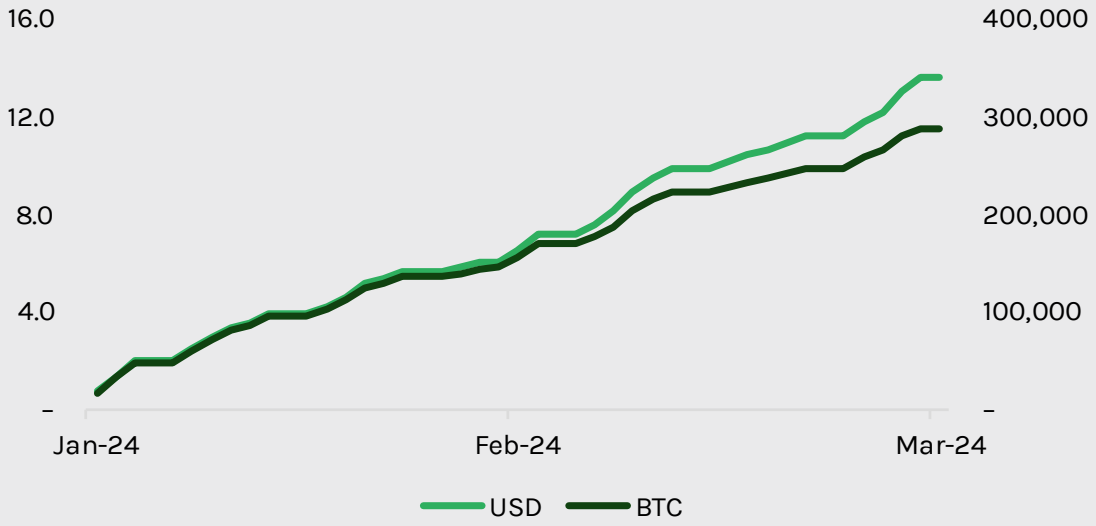
Bitcoin Price ($) | Hash Price ($/TH/s per Day)



~6,000 BTC / day average net inflow into ETFs since launch (~$8Bn of net inflows)

- **~6.5x greater** than new supply (~900 BTC / day)
- Post halving, implies demand **~13x greater** than new supply (~450 BTC / day)

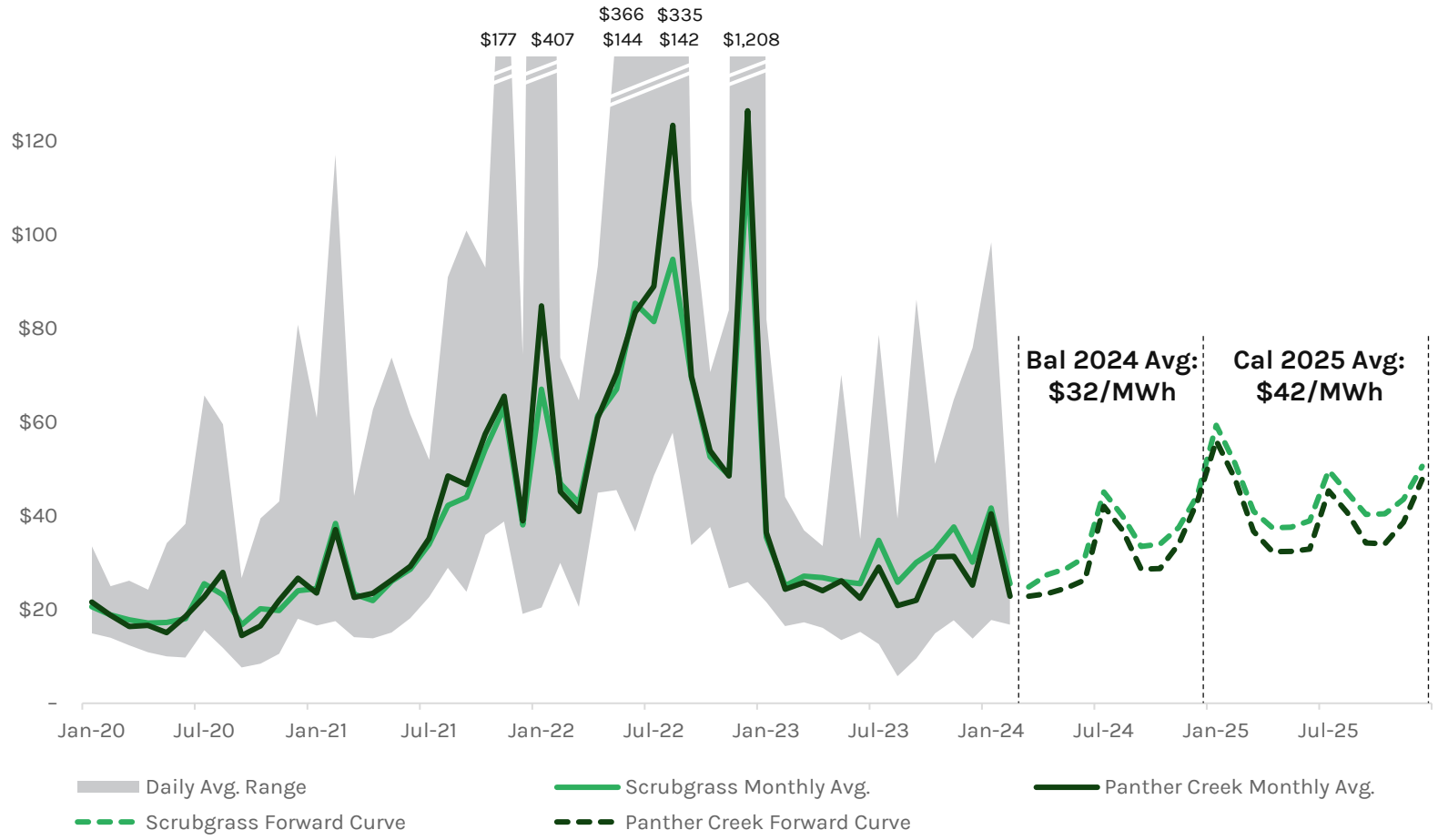
Fund Flows to the Bitcoin ETF [1] ($Bn | BTC)



Source: Market Data; ETFs include ARKB, BITB, BRRR, BTCO, BTCW, EZBC, FBTC, HODL, IBIT; excludes GBTC

Current Low-Price Environment Makes Importing Power Highly Attractive…

Historical Real-Time Power Prices and Forward Curves as of 2/29/24 ($/MWh)



New electricity sale and purchase agreement with Champion Energy further improves economics when importing power from the grid

- Provides flexible source of power for Scrubgrass and Panther Creek data centers
- We independently estimate all-in cost of power under agreements to be $10-12/MWh, including ancillary charges & taxes, plus cost of wholesale power (assuming prices range from $10-40/MWh)

Source: Market data from energy market consultants and advisors

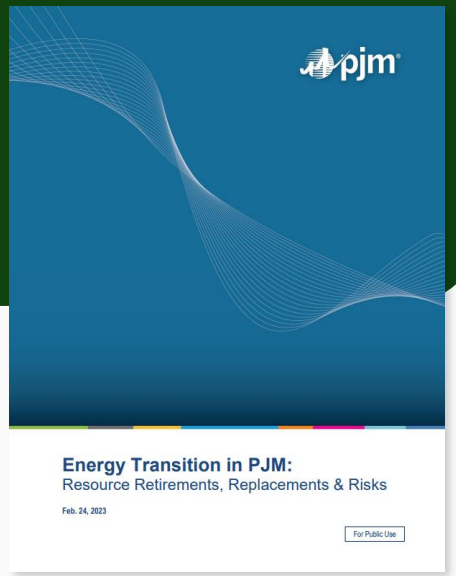
…But It Is Still Highly Valuable to Own Power Assets in PJM Given Increasing Scarcity of Thermal Generation

40 GW

(21% of current supply/capacity)

existing PJM baseload generation capacity expected to be **retired by 2030**

PJM reliability study written in February 2023 provides a striking picture of potential supply shortfalls:



"For the first time in recent history, PJM could face decreasing reserve margins should these trends continue."

"PJM's interconnection queue is composed primarily of intermittent and limited-duration resources… **we need multiple megawatts of these resources to replace 1 MW of thermal generation**."

"PJM's New Services Queue consists primarily of renewables (94%) and gas (6%). Despite the sizable nameplate capacity of renewables in the interconnection queue (290 GW), the **historical rate of completion for renewable projects has been approximately 5%**. The projections in this study indicate that the **current pace of new entry would be insufficient to keep up with expected retirements and demand growth by 2030**."

- The PJM reliability study paints a picture of tightening power markets, which we believe will result in increased volatility and, therefore, value of baseload generation assets, including Stronghold's 2 mining-waste-to-power facilities, Scrubgrass (85 MW) and Panther Creek (80 MW).

Source: https://www.pjm.com/-/media/library/reports-notices/special-reports/2023/energy-transition-in-pjm-resource-retirements-replacements-and-risks.ashx

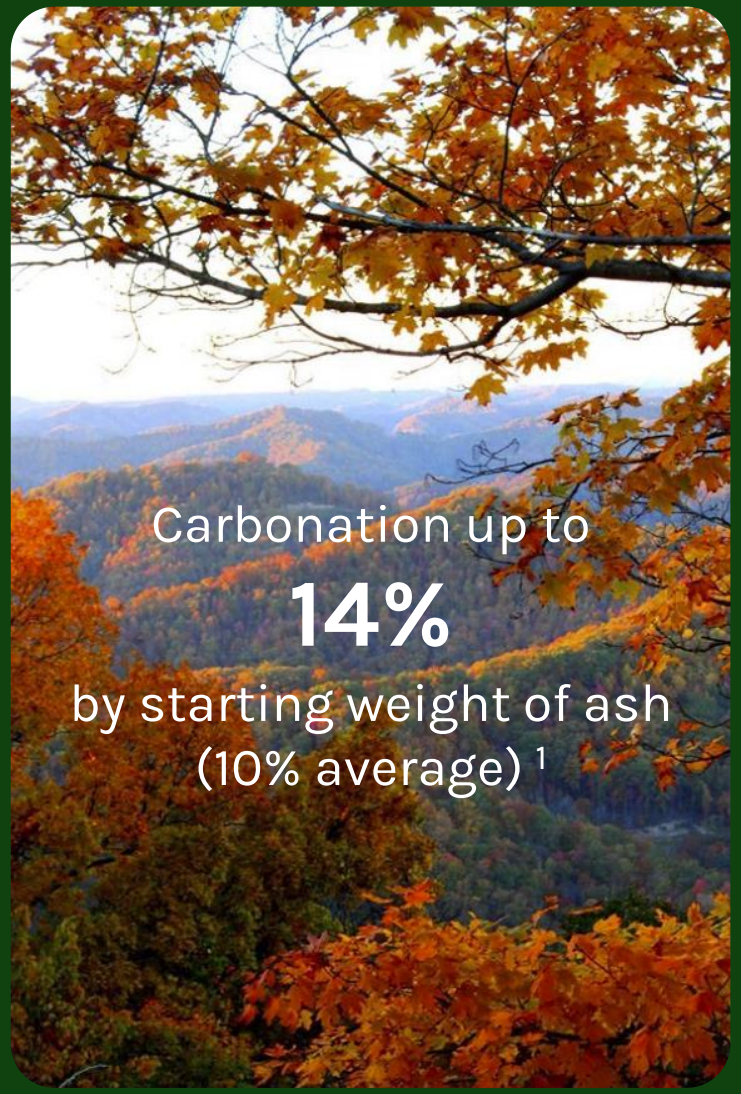
Carbon Capture Update

Scrubgrass carbon capture project listed on Puro Registry in late February

puro · earth

2nd Karbolith

complete with structural enhancements and materials cost of ~$33k

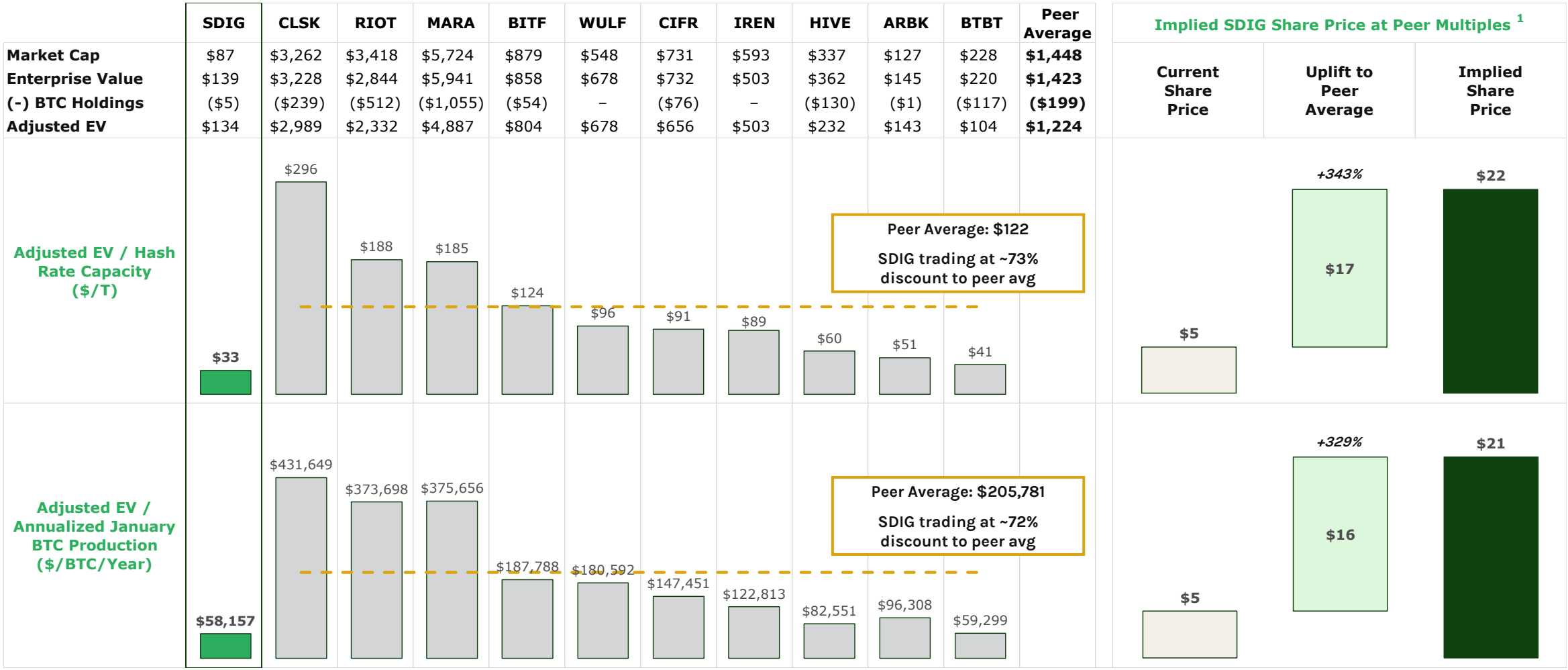


1. Based on third-party lab results from 12 recent samples of beneficial use ash, as disclosed in our press release on February 8, 2024

Whiskey Tango Foxtrot

Select valuation metrics for public self-mining-focused peers

	SDIG	CLSK	RIOT	MARA	BITF	WULF	CIFR	IREN	HIVE	ARBK	BTBT	Peer Average
Market Cap	$87	$3,262	$3,418	$5,724	$879	$548	$731	$593	$337	$127	$228	**$1,448**
Enterprise Value	$139	$3,228	$2,844	$5,941	$858	$678	$732	$503	$362	$145	$220	**$1,423**
(-) BTC Holdings	($5)	($239)	($512)	($1,055)	($54)	–	($76)	–	($130)	($1)	($117)	**($199)**
Adjusted EV	$134	$2,989	$2,332	$4,887	$804	$678	$656	$503	$232	$143	$104	**$1,224**



Implied SDIG Share Price at Peer Multiples [1]

Note: All Stronghold data per latest Stronghold disclosures; all peer data for market cap and enterprise value per Bloomberg as of 3/4/24; all peer data for BTC holdings, hash rate, and BTC production pulled directly from peers' January 2024 disclosures; Stronghold makes no representation as to the accuracy of Bloomberg data and peers' disclosures

1. Represents implied share prices based exclusively on the selected valuation metrics; implied share prices calculated as ([Average Multiple] x [Relevant Stronghold Metric] – [Net Debt] + [BTC Holdings]) / [Fully Diluted Share Count (at implied share price)]

Q4 and FY 2023 Results

	Q4 2023	FY 2023
Bitcoin Mined	599	2,463
Total Revenue (mm)	$21.7	$75.0
Net Loss (mm)	($21.2)	($101.8)
Adjusted EBITDA (mm) *	$2.3	($6.5)

* Presentation includes non-GAAP financial measures; Adjusted EBITDA references related to fourth quarter and full year 2023 throughout the presentation should be considered in connection with the Reconciliation of non-GAAP on page 13

Appendix

Other Information

Reconciliation of Non-GAAP Items

Reconciliation of Adjusted EBITDA (mm)	Q4 2023	FY 2023
Net income (loss)	**($21.2)**	**($101.8)**
Interest expense	2.4	9.8
Depreciation and amortization	9.4	35.4
Loss on debt extinguishment	--	29.0
Impairments on equipment deposits	--	5.4
Impairments on digital currencies	0.2	0.9
Realized gain on sale of miner assets	(0.1)	(0.1)
Stock-based compensation	1.6	9.2
Loss on disposal of fixed assets	3.7	3.8
Change in fair value of warrant liabilities	6.2	0.6
Realized gain on sale of digital currencies	(0.2)	(1.0)
Accretion of asset retirement obligation	--	0.1
Non-recurring expenses	0.2	2.0
Adjusted EBITDA (Non-GAAP)	**$2.3**	**($6.5)**

Note: Items that round to $0.0 million have been left off as the calculation remains unchanged as presented

Hash Price Calculation

The metric that drives BTC mining revenue, reflecting both BTC price and network hash rate

Bitcoin Price × **Mining Rewards**: 6.25 BTC [1] / block × (1+transaction fee %) × 144 blocks per day

Divided by:

Network Hash Rate (TH/s)

Note: Hash price per daily Bitcoin price and network hash rate calculated from difficulty
Note: Bitcoin mining revenue is based on a hash price on $ per terahash per second ("TH/s") per day. Hash price represents global Bitcoin mining revenue per TH/s of network hash rate, incorporates both Bitcoin price and network hash rate and it is calculated as follows: [Bitcoin price] x [number of Bitcoins mined per day (~900)] x [1 + transaction fee %] ÷ [network hash rate (TH/s)]
1. Current block subsidies are 6.25 BTC

Stronghold Capitalization Table

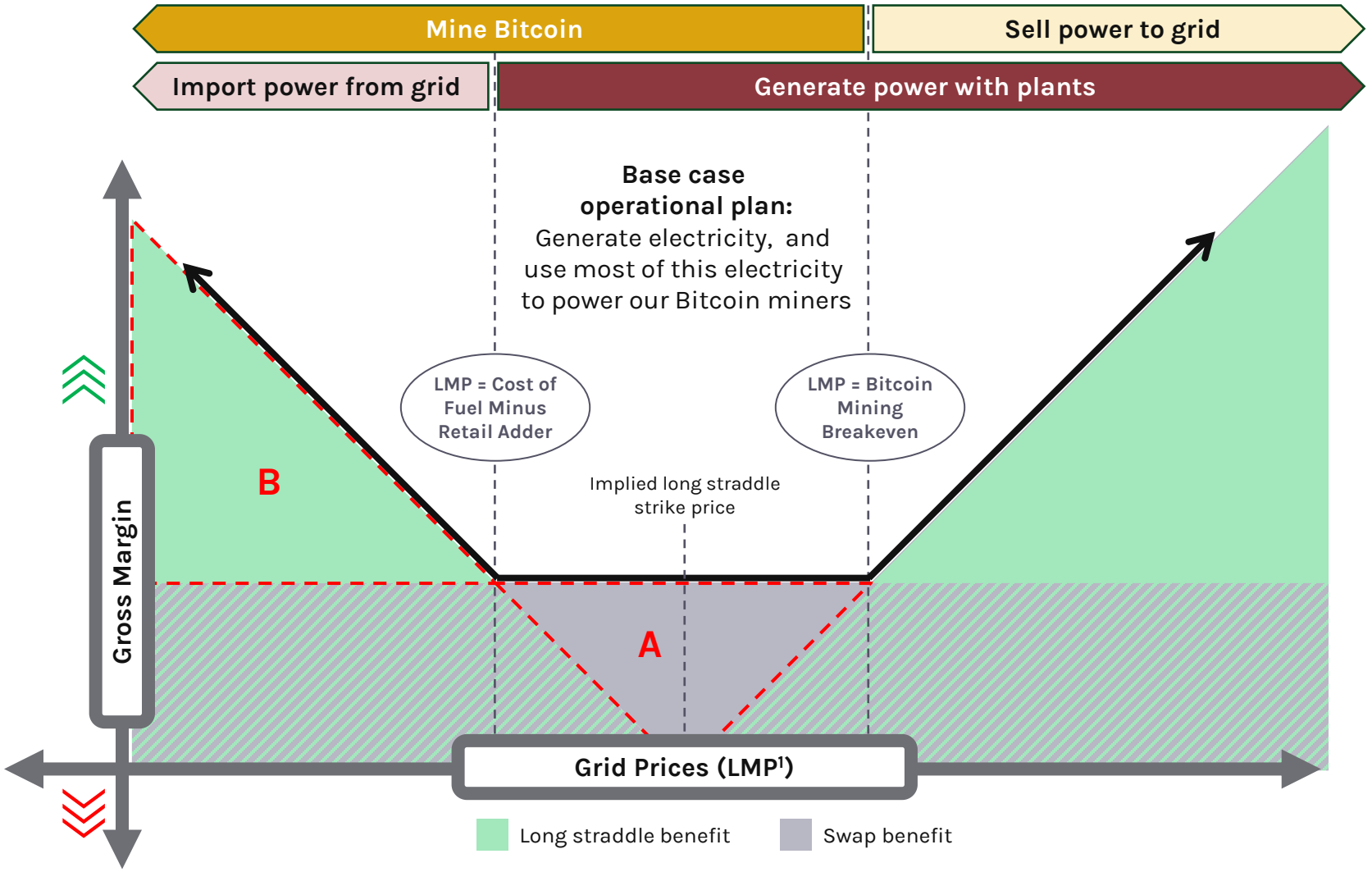
(000s of share equivalents)	Securities as of 2/29/24	Estimated Diluted Share Count at Various Share Prices (Based on Treasury Method)						
		$4.87	$7.50	$10.00	$12.50	$15.00	$17.50	$20.00
Shares of Common Stock								
Class A Common Stock	12,645	12,645	12,645	12,645	12,645	12,645	12,645	12,645
Class V Common Stock	2,406	2,406	2,406	2,406	2,406	2,406	2,406	2,406
Basic Share Count	**15,051**	**15,051**	**15,051**	**15,051**	**15,051**	**15,051**	**15,051**	**15,051**
Warrants to Purchase Class A Common Stock								
$0.0001 Exercise Price	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
$0.0010 Exercise Price	27	27	27	27	27	27	27	27
$0.1000 Exercise Price	79	78	78	79	79	79	79	79
$7.0000 Exercise Price	3,700	-	247	1,110	1,628	1,973	2,220	2,405
$10.1000 Exercise Price	60	-	-	-	12	20	25	30
$11.0000 Exercise Price	100	-	-	-	12	27	37	45
$86.8000 Exercise Price	10	-	-	-	-	-	-	-
$110.1000 Exercise Price	2	-	-	-	-	-	-	-
Subtotal	**5,278**	**1,404**	**1,652**	**2,515**	**3,057**	**3,425**	**3,688**	**3,886**
Vested LTIP Equity Awards								
Restricted Stock Units	0	0	0	0	0	0	0	0
Stock Options - $39.70 Exercise Price	1	-	-	-	-	-	-	-
Stock Options - $63.85 Exercise Price	27	-	-	-	-	-	-	-
Stock Options - $93.30 Exercise Price	52	-	-	-	-	-	-	-
Subtotal	**81**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Preferred Stock, Convertible Into Class A Common Stock								
Series C - Post-Conversion Share Equivalents	1,498	1,498	1,498	1,498	1,498	1,498	1,498	1,498
Subtotal	**1,498**	**1,498**	**1,498**	**1,498**	**1,498**	**1,498**	**1,498**	**1,498**
Estimated Diluted Share Count		**17,954**	**18,201**	**19,064**	**19,606**	**19,974**	**20,237**	**20,435**

Currently out of the money

Note: All figures approximated

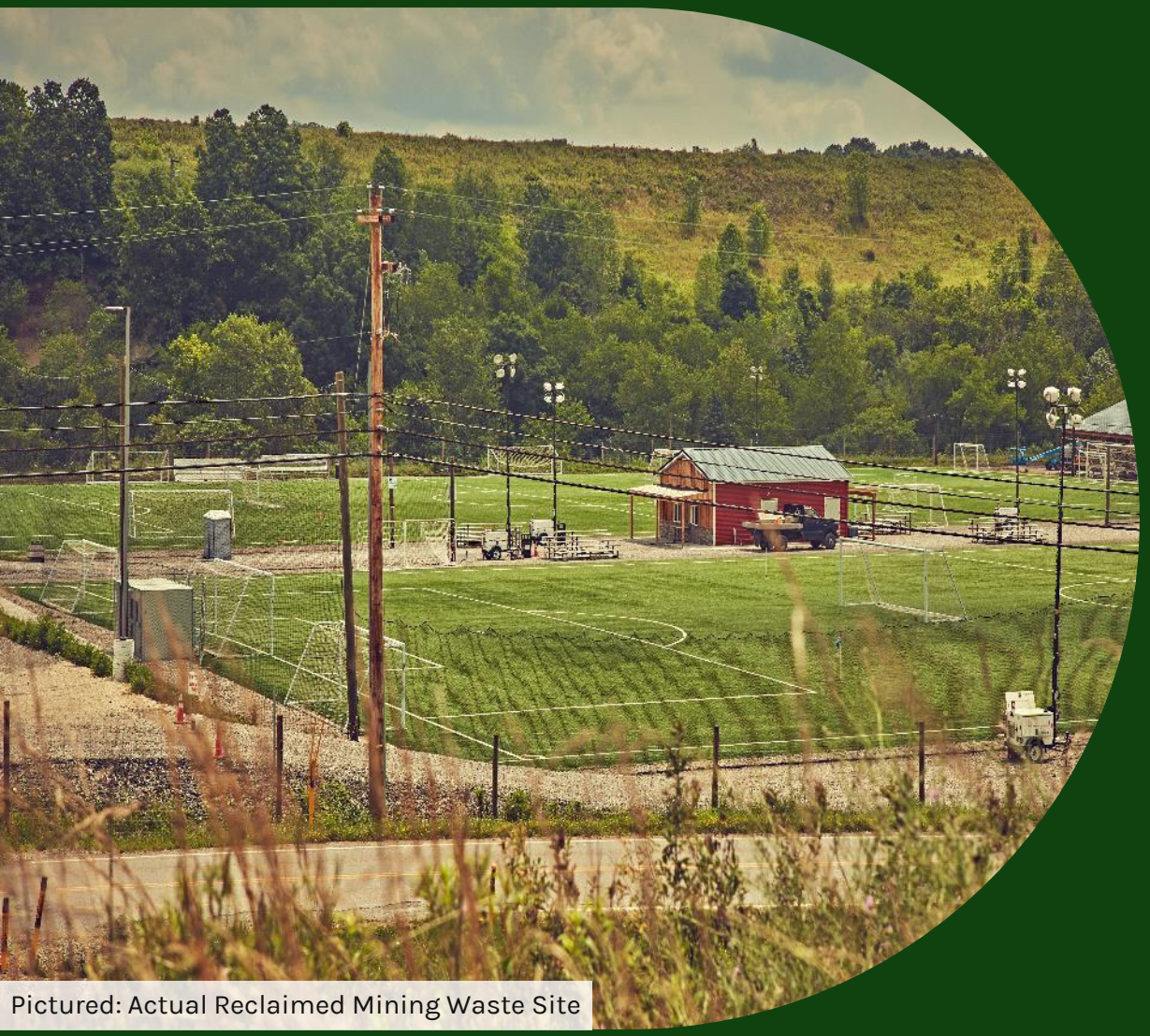
Integrated Bitcoin Mining Illustrative Profit and Loss

Long Straddle + Swap



- Vertically integrated power generation + Bitcoin mining is effectively a **long straddle option strategy with a power price swap**
  - Highly unique and differentiated to combine the downside protection of **A** with the upside exposure of **B**
- We have the option to **capture additional value both when grid electricity prices rise and fall**:
  - If power prices are **high** (more attractive than Bitcoin mining economics), curtail miners and **sell power to the grid**
  - If power prices are **low** (lower than our plant cost of fuel minus the retail adder to import power), turn off plants and **purchase electricity from the grid to mine Bitcoin**
- The cost of the long straddle option is effectively the cost of ASICs and associated infrastructure, and the cost of the swap is effectively the cost of the power generation assets

1. Locational Marginal Pricing



Pictured: Actual Reclaimed Mining Waste Site

Investor Contact

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STRONGHOLD