



Q1 2022 Investor Presentation

May 2022

Pictured: Actual Reclaimed Waste Coal Site in Russellton, PA

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Stronghold at a Glance

The only vertically integrated and environmentally beneficial public Bitcoin mining company



NASDAQ Ticker Symbol	SDIG
Share Price (5/13/22)	\$2.26
Market Cap (5/13/22) ¹	\$109mm
Miners Delivered to Date	33,000+
Current Hash Rate Capacity	3.0 EH/s
Contracted Hash Rate Capacity ²	4.2 EH/s
Current Power Capacity	165 MW
Total Revenue (Q1 2022)	\$28.7mm
Mining Revenue (Q1 2022)	\$18.2mm
Bitcoins Mined (Q1 2022)	438
Bitcoins Mined (April 1 – May 13)	251 (102 in May)



Owner of two waste coal reclamation facilities: Scrubgrass and Panther Creek



165 MW of power generation capacity with additional 112 MW under LOI / exclusivity



45k+ miners delivered or under contract ²



~279,000 tons of coal refuse eliminated from the environment during Q1 2022

Note: all data as of 5/12/22 unless otherwise noted; all figures are approximated

1. Based on total shares outstanding of ~48.2mm as of 5/16/2022

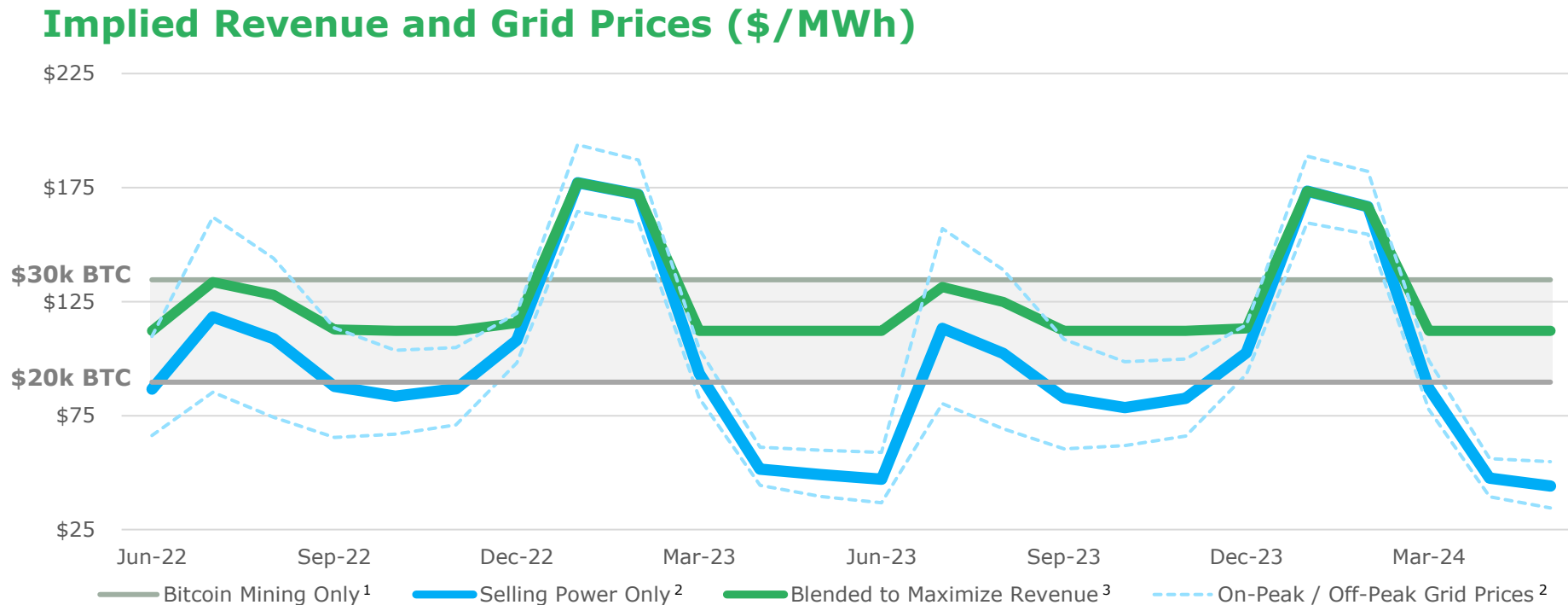
2. Excludes remaining MinerVa deliveries

Vertical Integration Mitigates Bitcoin Downside Risk



Ability to sell power to the grid establishes a theoretical revenue floor based on grid prices

- \$20,000-30,000/BTC implies Bitcoin mining revenue of ~\$90-135/MWh¹
- Average forward grid prices >\$100/MWh for next 12 months²
 - \$100/MWh implies Bitcoin price of ~\$22,000¹
- Can divert power from miners to the grid to capture additional value



Material Adj. EBITDA in the current environment, even without mining Bitcoin

NTM Adj. EBITDA (\$mm) *	
Use All Power to Mine Bitcoin ¹	~\$35-65mm
Sell All Power to the Grid ²	~\$35-65mm
Optimize Mining / Grid Split ^{1,2,3}	~\$45-80mm

* Illustrative analysis does not constitute guidance and assumes all projected power output can be used for Bitcoin mining (not derived from Stronghold hash rate). When power is used for Bitcoin mining, revenue is calculated as power output multiplied by \$112.50/MWh.

1. Assumes midpoint of Bitcoin price range between \$20,000 and \$30,000, flat network hash rate of 220 EH/s, and Bitcoin mining efficiency of 38 J/TH
 2. Average of PENELEC and PPL PJM forward prices, per NRG as of 5/11/22; when power is sold for 100% of any given month, the effective power price is calculated as the weighted average of on-peak and off-peak prices, assuming 16 on-peak hours per weekday (excludes weekends and holidays)
 3. Use of power (Bitcoin mining or selling to grid) is determined for on-peak and off-peak hours, individually, on a monthly basis

Key Recent Updates



Scrubgrass Improvements

- Upgrades and maintenance of plant systems on schedule
- Positive impact has been observable through reduced forced outage rate
- Plant has been successfully supplying power to the datacenter, while also supplying the grid with excess generation >85% of hours over the last 30 days

Joint Venture Commissioning Is on Track

- All JV miners were delivered before the end of April
- 14 of 24 total pods have been commissioned (compared to 4 as of late March)
- Expect the remaining 10 pods to be operational in the next 1-2 months

Matthew Smith Appointed as Chief Financial Officer on April 14th

- Served as chair of Stronghold audit and compensation committees since January 2022; remaining on board, but will no longer be a member of any committee
- CFA charter holder and >16 years of investment management experience in energy, renewables, and power & utilities sectors
- Previously managing partner of Deep Basin Capital (which he founded in 2017) and portfolio manager of Citadel's Surveyor Capital (2010-2016)

Improved Liquidity Profile



Stronghold worked to strengthen its financial position through active management of liquidity

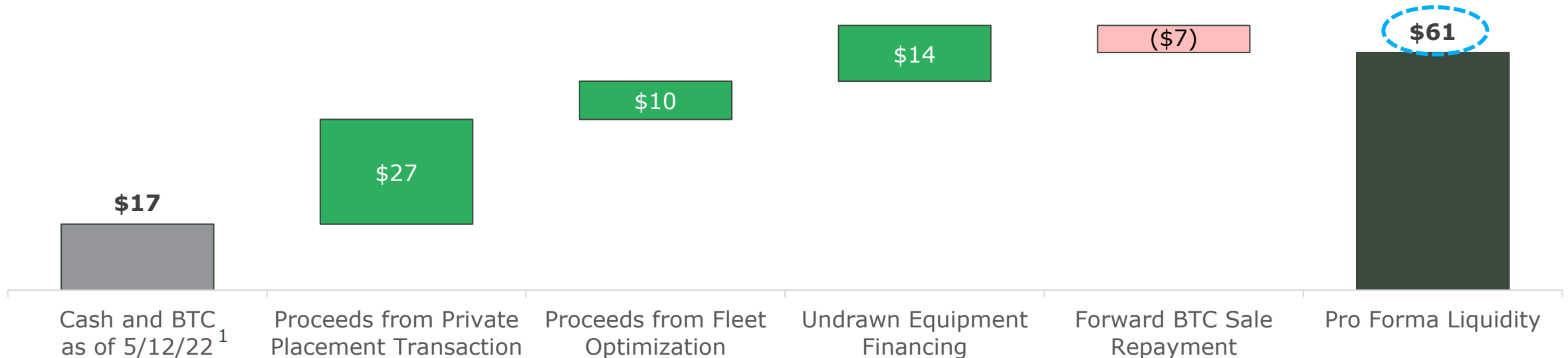
Private Placement Transaction

- \$27mm in cash proceeds from three investors; lead investor is a reputable hedge fund
- 10% coupon; 20% discount
- 6.318mm warrants granted with \$2.50 strike price
- Notes convert to 8% preferred equity, among other terms, if market cap is >\$400mm by 9/30/22

Miner Fleet Optimization

- Have ordered miners in excess of capacity at current datacenters
- Managing fleet to right-size for datacenter capacity
- Sold ~2,600 miners (~330 PH/s) for ~\$17mm
 - ~\$10mm upfront cash
 - ~\$7mm reduction in go-forward contracted capex

Liquidity Snapshot (\$mm)



1. Includes approximately 285 BTC (including 250 BTC that is restricted under the forward sale agreement) at \$28,000/BTC

Progress on 2022 Objectives



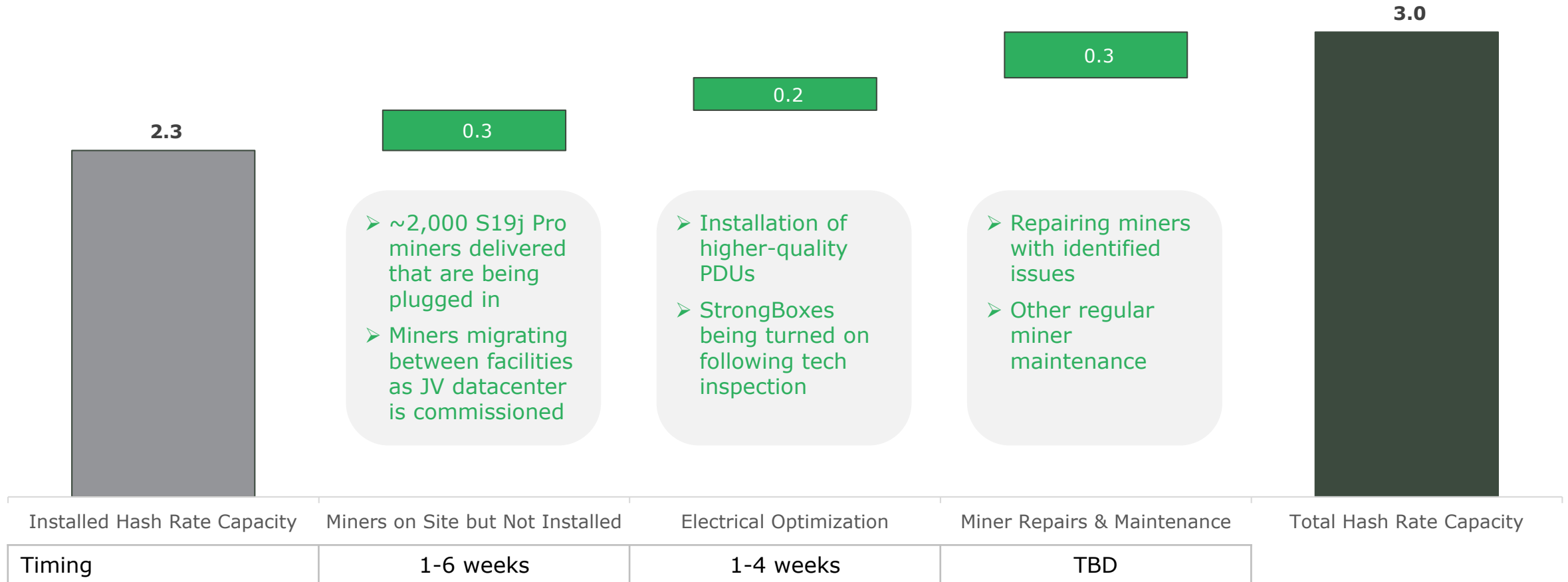
Objective	Update
<ul style="list-style-type: none">➤ Rapidly complete commissioning of datacenters, maximize miner uptime, and enhance data-tracking capabilities	<ul style="list-style-type: none">➤ JV datacenter commissioning at Scrubgrass accelerated➤ Panther Creek datacenter commissioning progressing and expected to be complete by end of May➤ Uptime-improvement initiatives underway, with sources of downtime identified
<ul style="list-style-type: none">➤ Complete plant upgrades to enable Scrubgrass to consistently operate at full load by 2H 2022	<ul style="list-style-type: none">➤ Significant progress made in last two months➤ Expect upgrades to be largely complete by early Q3
<ul style="list-style-type: none">➤ Optimize procurement strategy prioritizing immediate-delivery purchases	<ul style="list-style-type: none">➤ Not actively buying given current market conditions
<ul style="list-style-type: none">➤ Acquire one or more additional power asset(s)	<ul style="list-style-type: none">➤ Deprioritizing given capital requirement in current market climate
<ul style="list-style-type: none">➤ Increase contact with investors and frequency of operations updates	<ul style="list-style-type: none">➤ Ongoing effort, but outreach underway➤ Available to speak with investors and analysts

Operational Improvements to Increase Uptime

Working diligently to increase uptime in the most cost-effective and efficient manner



Hash Rate Installed to Hash Rate Capacity Bridge (EH/s)

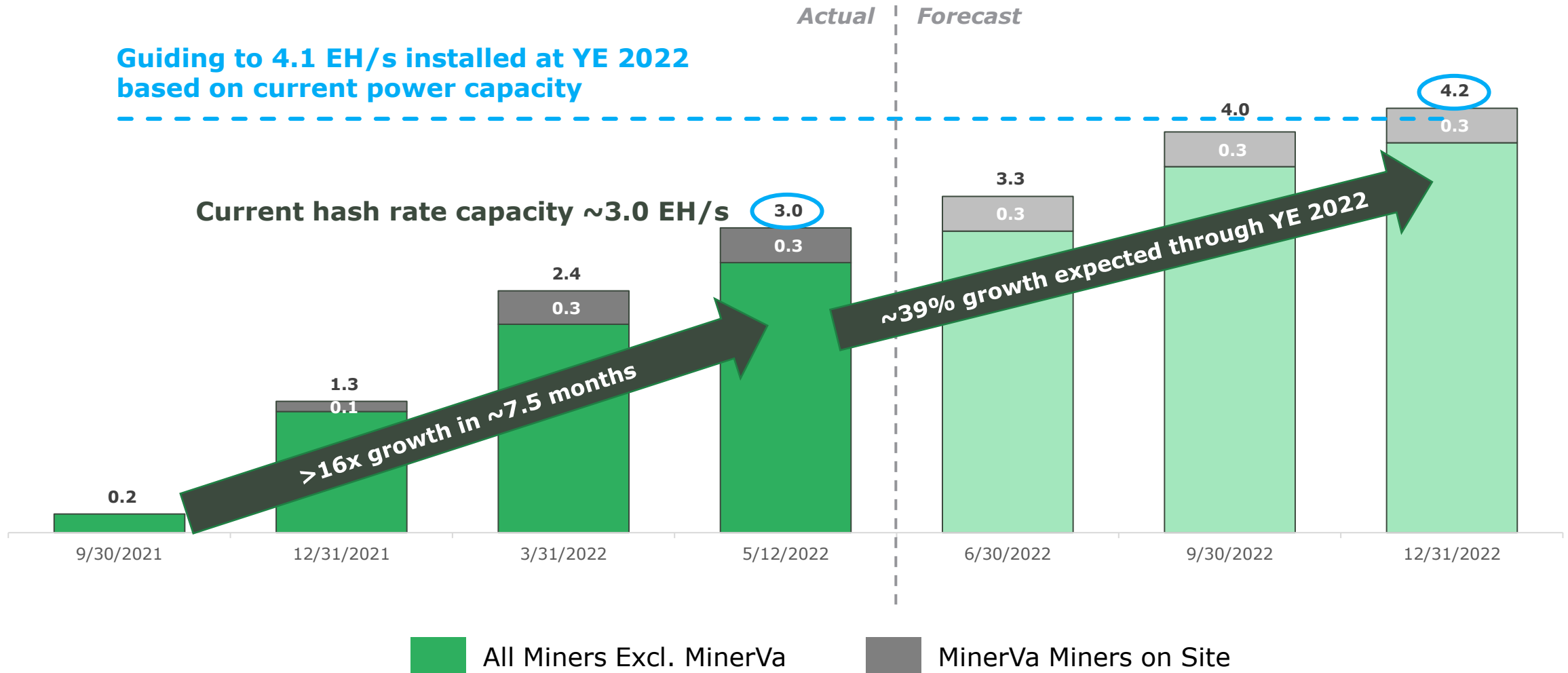


Rapidly Scaling Bitcoin Mining Operation



As mining scales, MinerVa decreases from ~11% of installed hash rate to <6% by YE 2022

Actual and Projected Hash Rate Capacity (EH/s)



Q1 2022 Results



Financial

Total Revenue (000's)	\$28,700
Net Loss (000's)	(\$32,306)
Adjusted EBITDA (000's) ¹	\$3,795

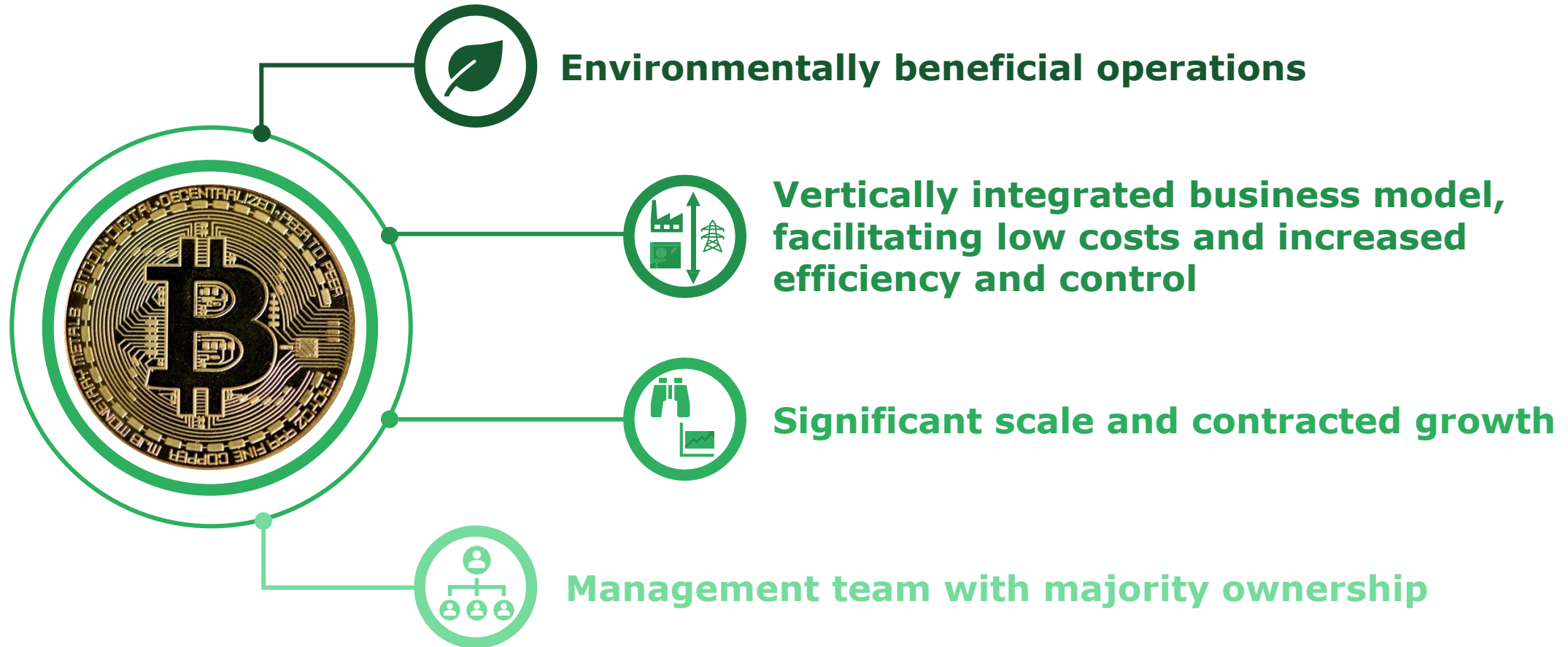
Operational

Total Miners Delivered by 3/31/22	~26,000
Hash Rate Capacity by 3/31/22 (EH/s)	~2.4

Environmental

Tons of Coal Refuse Removed from Piles	~279,000
Tons of Beneficial Use Ash Returned to Remediate Piles	~179,000

1. See table on page 13 that reconciles Net Loss to Adjusted EBITDA





Reconciliation of Non-GAAP Items



Reconciliation of Adjusted EBITDA (000's)	Three Months Ended 3/31/22
Net Income (Loss)	(\$32,306.4)
Interest	2,911.5
Depreciation and amortization	12,319.6
Impairment costs of digital currencies	2,506.2
Impairment costs of equipment deposits	12,228.7
One time non-recurring expenses	3,764.7
Expenses related to stock-based compensation	2,593.0
(Gains)/Losses on disposal of fixed assets	45.0
(Gains)/Losses on derivative contracts	483.7
Realized (gain)/loss on sale of digital currencies	(751.1)
Adjusted EBITDA	\$3,794.8

Bitcoin Mining Economics Drivers

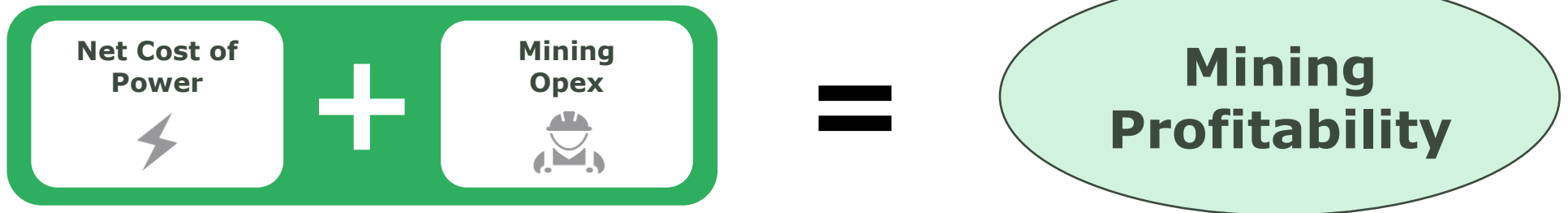


Revenue



Less:

Expenses



Divided by:

Invested Capital

