Strategy Overview and Carbon Capture Forum

December 2023

Disclaimer

Forward-Looking Statements

The information, financial projections and other estimates contained herein include 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 projections, 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.

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.

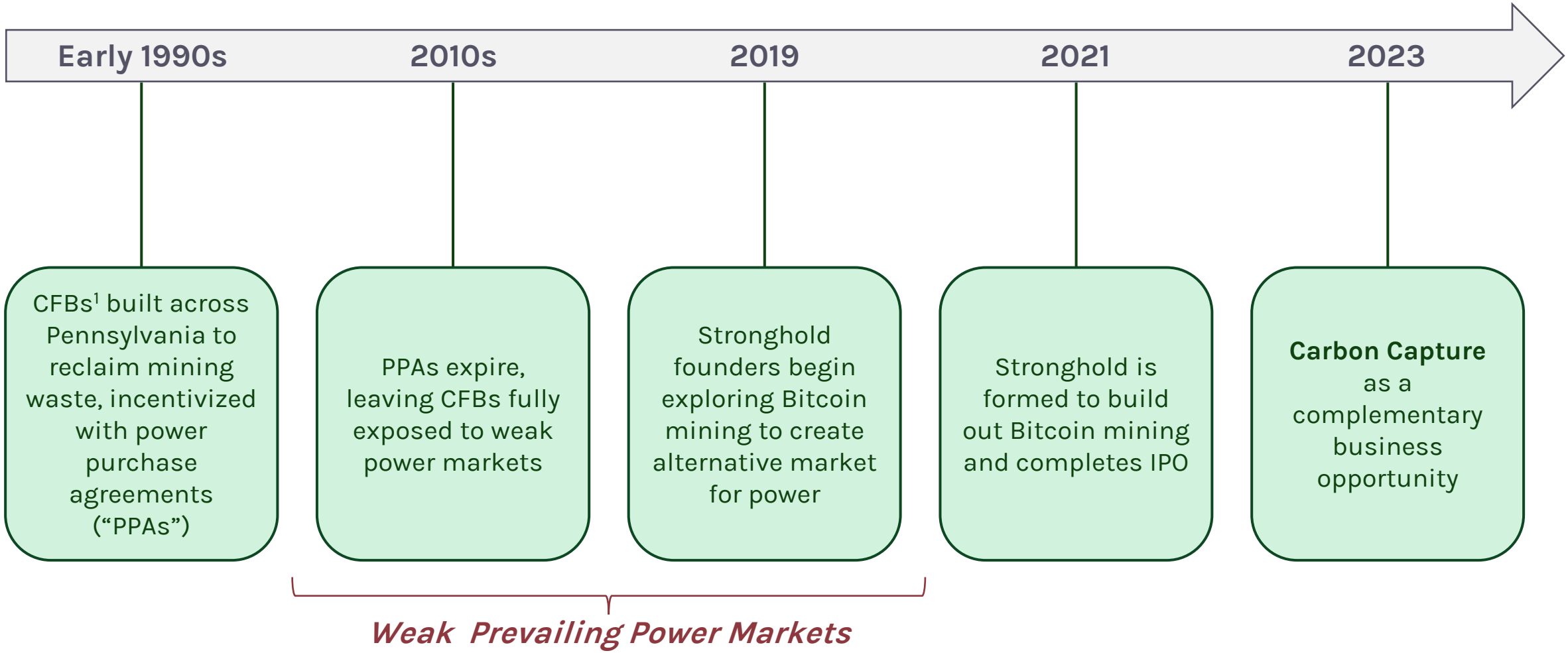
Third-Party Information

Certain information contained herein refers to or has been derived from sources prepared by third parties, including but not limited to analyses of laboratory results. 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.

See Key Assumptions on page 33

Evolution of Stronghold

Innovatively enhancing legacy assets to drive incremental cash flow



1. Circulating fluidized bed mining-waste-to-power facilities

Review of Stronghold's Vertically Integrated Business Model

Highly complementary operations create various monetization opportunities

Mining Waste Piles

- Disregarded byproduct from centuries of mining
- Highly toxic – pollutes air, water, and land

Mining waste and limestone delivered to facility

Mining-Waste-to-Power Facility

Combustion produces electricity (primary product) and a high-PH, beneficial use ash (byproduct)

Ash returned to site to facilitate reclamation (process without carbon capture)

Ash returned to site to facilitate reclamation

Ash spread among Karboliths

Electricity monetized through supplying power to the grid and/or Bitcoin mining rigs

Beneficial use ash captures carbon, which may be monetized via private carbon markets and/or 45Q tax credits

Karbolith Carbon Capture Equipment

Reclamation Overview

Mining Waste

A Widely Ignored Environmental Disaster

Mining waste is the disregarded byproduct of centuries of coal mining

Brought up from underground and left on the surface during mining process, exposing it to the atmosphere and placing it above the water table

There are over **840**

toxic mining waste piles in Pennsylvania, and these large mountains of waste pollute the land, water, and air

Pennsylvania mining communities were instrumental in building America

The aftermath: these communities were stripped of their natural resources and jobs and left with this toxic waste in their backyards

If left alone, these piles emit CO_2, particulates, and volatile organic compounds (benzene, toluene, ethylbenzene, xylenes, hexane, cyclohexane, naphthalene, and acrolein) into the atmosphere [1]

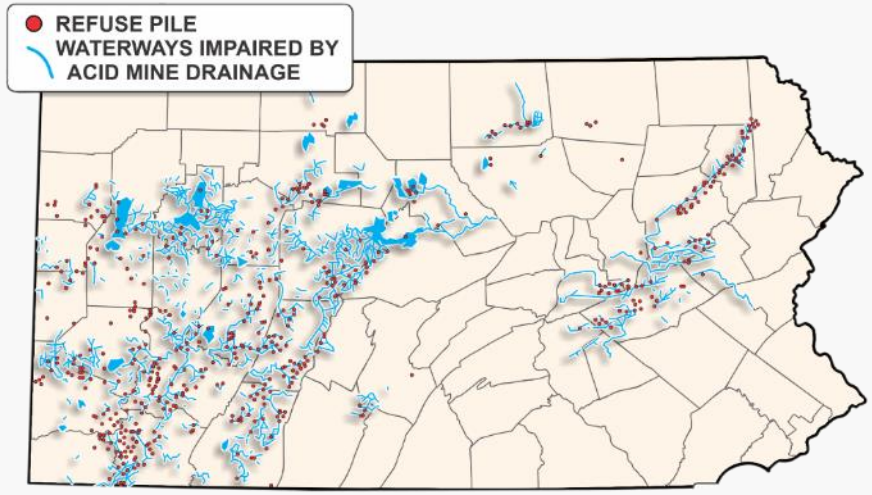
Piles spontaneously combust, releasing more harmful emissions – Pennsylvania DEP estimated that ~40 piles were burning continually in 2020 [2]

Acid mine drainage from mining waste piles is one of the largest sources of water pollution in Pennsylvania

1. See: "Coal Refuse Whitepaper." *ARIPPA*, p. 5, http://arippa.org/wp-content/uploads/2018/12/ARIPPA-Coal-Refuse-Whitepaper-with-Photos-10_05_15.pdf
2. See: Prepared Testimony of Patrick McDonnell, Secretary, Pennsylvania Department of Environmental Protection, before the Joint Legislative Air and Water Pollution Control and Conservation Committee, 3 Feb. 2020, p. 1, https://files.dep.state.pa.us/aboutdep/Testimony/2020/2020.02.03_JLCC_Waste_Coal_Hearing_DEP_Testimony.pdf

Over 5,500

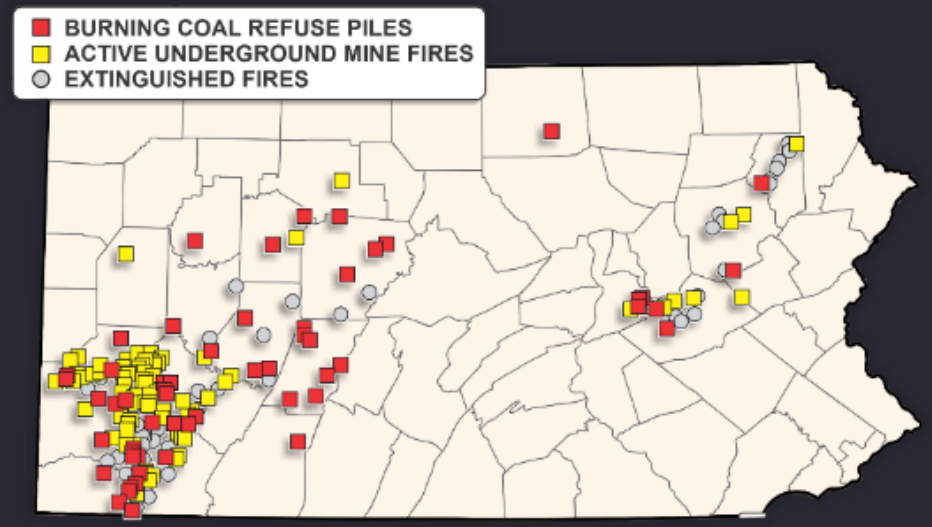
miles of waterways impaired [1]



- Acid mine drainage from mining waste piles is among the 2 largest known pollutants of waterways in Pennsylvania [1]
- Causes rivers to run orange
- Highly detrimental to aquatic life
- Problem is severe and widespread and threatens water supply downstream, with all impacted streams within or extending to all major river basins in Pennsylvania, which ultimately extend to the Chesapeake Bay, Delaware River, Ohio, Mississippi, and Gulf of Mexico watersheds

1. See: "2022 Pennsylvania Integrated Water Quality Report." *Pennsylvania Department of Environmental Protection*, 2022, https://storymaps.arcgis.com/stories/b9746eec807f48d99decd3a583eede12

- Piles spontaneously combust through oxidation and lightning strikes
- Multiple large piles have burned for decades
- When burning, piles release toxic, uncontrolled emissions into atmosphere: hydrogen sulfide, sulfur dioxide, ammonia, oxides of nitrogen, particulates, carbon monoxide, and CO_2 [1]
- Estimated that nearly 7 million tons of mining waste burn each year in Pennsylvania in unintended, uncontrolled fires, releasing ~9 million tons of CO_2 and numerous other air pollutants without any emissions controls [2,3]



All mining waste piles have burned, are burning, or are likely to burn… unless they are reclaimed

1. See: "Coal Refuse Whitepaper." *ARIPPA*, p. 5, http://arippa.org/wp-content/uploads/2018/12/ARIPPA-Coal-Refuse-Whitepaper-with-Photos-10_05_15.pdf
2. Estimates provided by the Pennsylvania DEP in 2016
3. See: "Economic and Environmental Analysis of Pennsylvania's Coal Refuse Industry." *Econsult Solutions, Inc.*, 8 Sep. 2016, p. 13, https://www.congress.gov/116/meeting/house/110202/witnesses/HHRG-116-II06-Wstate-HughesR-20191114-SD017.pdf

STRONGHOLD

Mining Waste Reclamation Is the Foundation of Our Business

BEFORE

AFTER

Reclamation Process

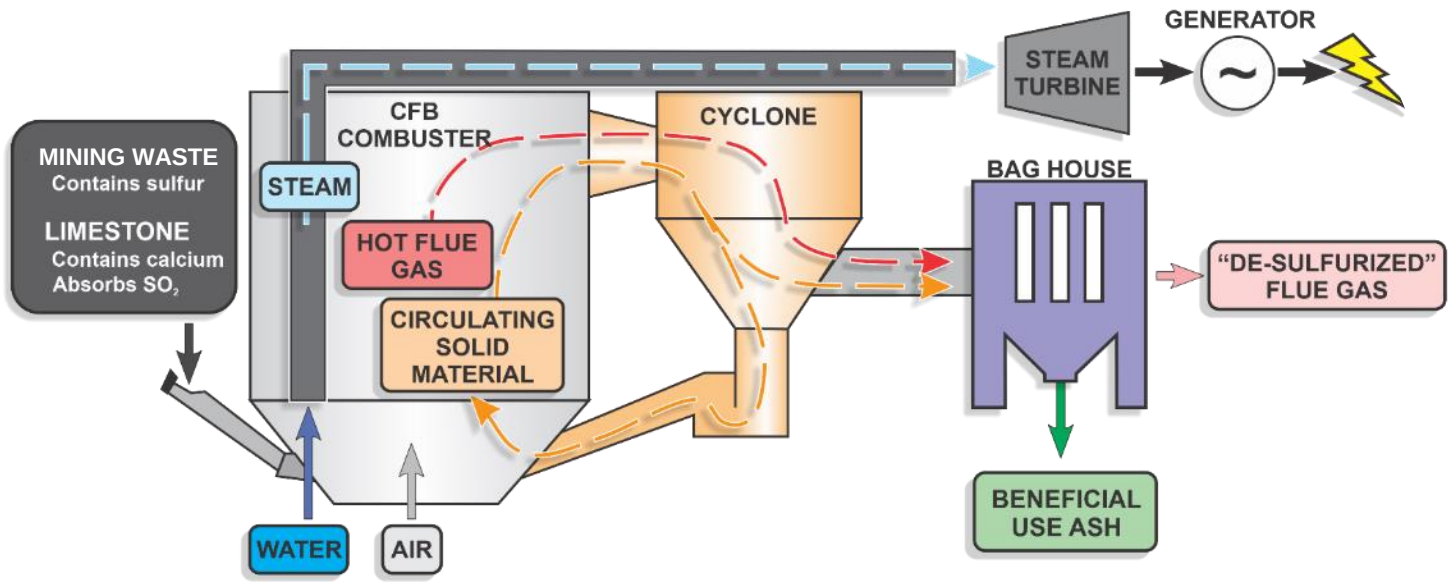
1. Remove toxic mining waste from environment
2. Generate energy from mining waste through highly specialized process that can eliminate most harmful emissions:
   - ~90% of NOx emissions
   - ~98% of SO_2 emissions
   - ~99.9% of particle
   - ~99.9% of mercury
3. Utilize ash byproduct in reclamation and carbon capture projects

We believe that power generation with CFB facilities is the only practical way to solve Pennsylvania's toxic mining waste problem, and Stronghold has already reclaimed over 1,050 acres of previously unusable land.

CFB facilities were purpose-built for Pennsylvania to solve mining waste problem

- At the time, construction was only economically feasible through above-market power purchase agreements
- Today, process has bipartisan support in Pennsylvania – we receive alternative energy credits and waste coal tax credits to perform this vital work
- Operate at the direction of and in partnership with Pennsylvania DEP to reclaim mining waste piles

CFB Power Generation Process



Using **CFB facilities** is only way to generate power with low-BTU toxic mining waste

- Traditional thermal coal has ~12,000 BTU/lb heat content; mining waste has ~5,500 BTU/lb heat content
- Pushing air through circulating mining waste effectively fluidizes material and enables combustion

Limestone added to feedstock to mitigate SO_2 emissions (calcium in limestone absorbs sulfur)

Resulting ash byproduct is a beneficial use ash – it is basic and a certified liming agent

INPUTS

Mining Waste, Limestone

OUTPUTS

Electricity (Product)

Beneficial Use Ash (Byproduct)

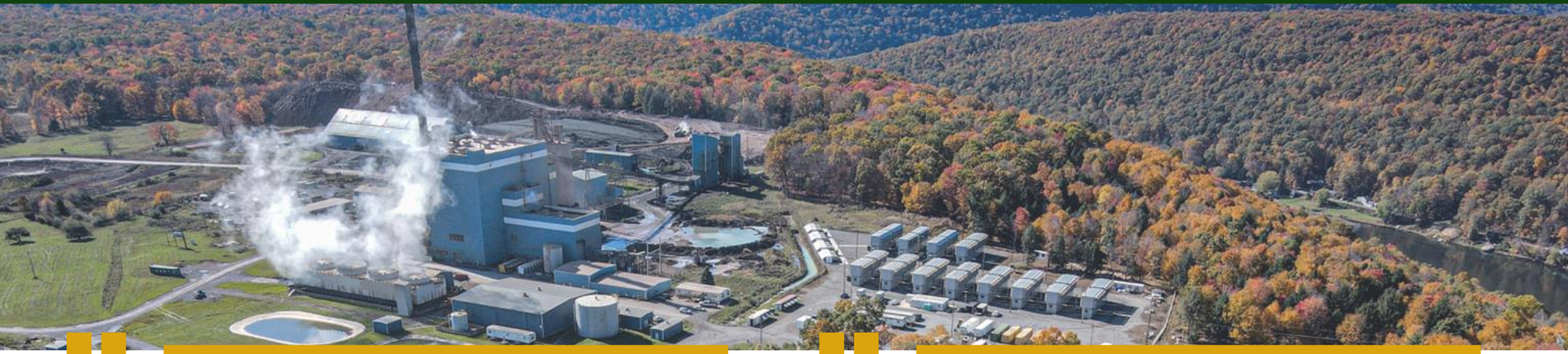
Beneficial Use Ash

Currently, majority of ash is returned to mining waste sites to facilitate reclamation

- Basic nature of ash offsets acidic nature of the sites, facilitating vegetation and life
- Ash used to fill in the sites and is subsequently covered with soil and seeded until fully reclaimed

Calcium content of ash also facilitates absorption of CO_2, which is the focus of our carbon capture efforts

Third-Party Studies Support That Mining-Waste-to-Power Activities Are Net **Carbon Negative**, Reducing Net GHG Emissions by **50-80%** [1]



The coal refuse reclamation-to-energy facilities in Pennsylvania (PA) and West Virginia (WV) alone reduce the equivalent net GHG emissions that would otherwise be emitted from the same amount of coal refuse by over 20 million tons of CO_2 [equivalent] in a single year. [2]

TRC

Each ton of coal refuse is expected to produce GHG emissions between 2.43 and 6.44 tons CO2, [equivalent] with a net reduction of between 1.16 and 5.17 tons CO_2 [equivalent] per ton of coal refuse reclaimed by the coal refuse [reclamation-to-energy] industry. [1]

LEHIGH UNIVERSITY

1. See: Romero, Carlos (Dr). "Comparison of the Impact on Greenhouse Gas Emissions Between Unabated Coal Refuse Piles and Reclamation-to-Energy Power Plants." *Energy Research Center*, Lehigh University, 23 Jan. 2023, p. 3, https://strongholddigitalmining.com/wp-content/uploads/2023/11/Lehigh-University-Jan.-2023.pdf
2. See: Fraser, Robert G. (QEP), and Patrick Fennell (PE). "Net Air Emission Benefits from the Remediation of Abandoned Coal Refuse Piles." *TRC Environmental Inc.*, March 2023, p. 2, https://strongholddigitalmining.com/wp-content/uploads/2023/11/TRC-Environmental-Inc.-March-2023.pdf

Business Overview

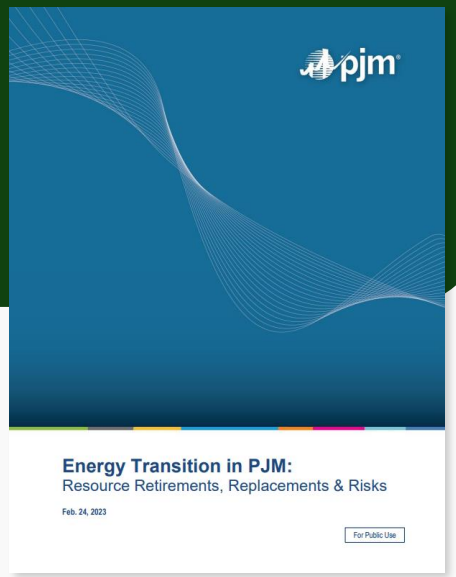
Why Own Power Assets?
Increasing Scarcity of Thermal Generation Assets in PJM

40 GW

(21% of current supply/capacity)

existing PJM baseload generation capacity at risk of being **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."

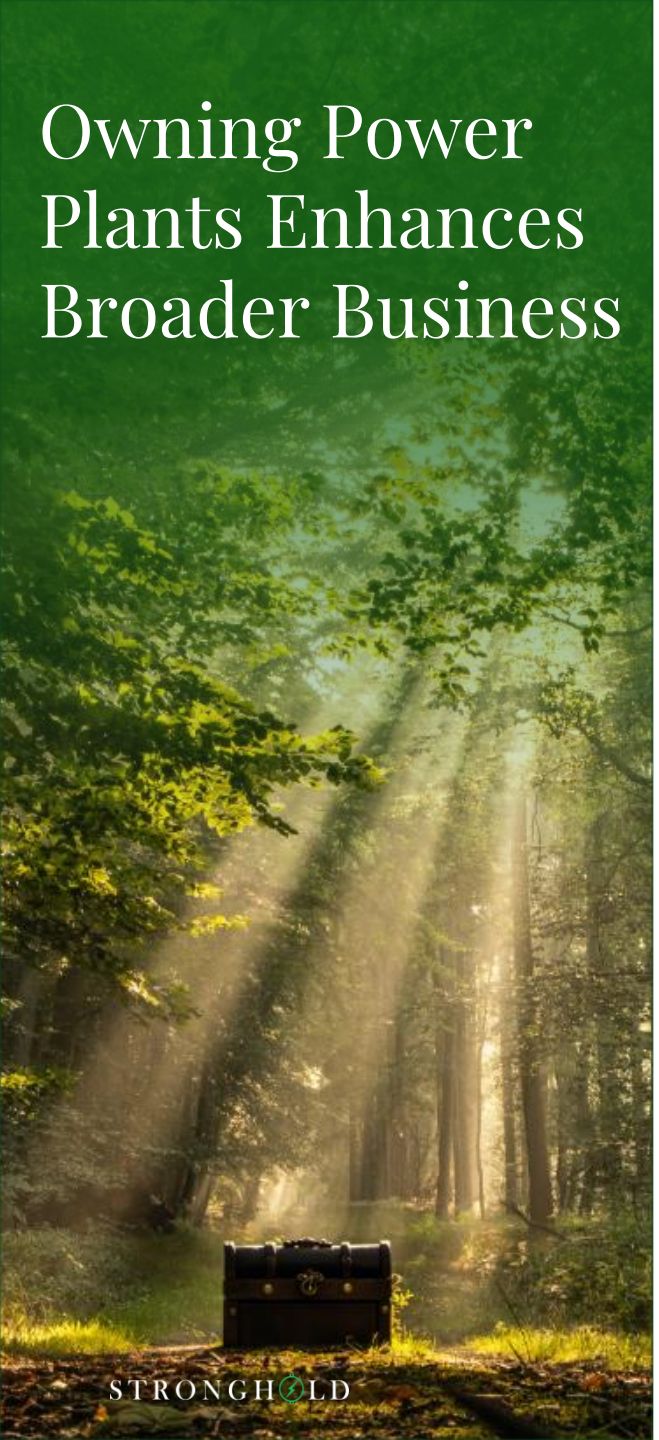
"PJM's interconnection queue is composed primarily of intermittent and limited-duration resources... **we need multiple megawatts of these resources to replace 1 MW of thermal generation**."

"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

Owning Power Plants Enhances Broader Business



Multiple Avenues to Generate Value

- Optimize revenue generation between two cyclical and complementary markets: (1) generate power to mine Bitcoin, (2) generate power to deliver to the grid, (3) buy power from the grid to mine Bitcoin
- Beneficial use ash proven to capture carbon, and potential resulting carbon-negative ash may be attractive in a variety of markets
- Significant real estate footprint (plants own over 680 acres) and access to grid interconnect may present incremental opportunities

Access to Low-Cost Power

- Cost of power is our cost to produce electricity – not forced to buy spot or enter into PPAs with adders (as most Bitcoin miners are)
- Relatively large portion of cost structure within our control, allowing us to be responsive to market conditions
- Carbon capture has potential to drive step-function reduction in net cost of power

1. Assumes a $0.075 hash price (see Appendix for information about hash price and how it is calculated), $42.50/MWh cost of power, and 34 J/T average miner efficiency

Low Cost of Power Can Provide Significant Advantage Post-Halving

Illustrative Gross Mining Margin [1]

Illustrative Stronghold Range | **Estimated Range for Public Peers**

$0.08 Hash Price - Recent Levels

Potential Net Cost of Power ($/MWh)

Potential Efficiency (J/T)	Guidance $42.50	$35.00	Target $25.00
34	57%	64%	75%
33	58%	65%	75%
32	59%	66%	76%
31	60%	67%	77%
30	62%	69%	78%

Estimated Net Cost of Power ($/MWh)

Potential Efficiency (J/T)	$70.00	$60.00	$50.00	$40.00
35	27%	37%	48%	58%
32	33%	42%	52%	62%
29	39%	48%	57%	65%
26	45%	53%	61%	69%
23	52%	59%	66%	72%

$0.04 Hash Price - Post-Halving Without Recovery

Potential Net Cost of Power ($/MWh)

Potential Efficiency (J/T)	Guidance $42.50	$35.00	Target $25.00
34	13%	29%	49%
33	16%	31%	51%
32	18%	33%	52%
31	21%	35%	54%
30	24%	37%	55%

Estimated Net Cost of Power ($/MWh)

Potential Efficiency (J/T)	$70.00	$60.00	$50.00	$40.00
35	(47%)	(26%)	(5%)	16%
32	(34%)	(15%)	4%	23%
29	(22%)	(4%)	13%	30%
26	(9%)	6%	22%	38%
23	3%	17%	31%	45%

$0.06 Hash Price - Post-Halving With 50% Recovery

Potential Net Cost of Power ($/MWh)

Potential Efficiency (J/T)	Guidance $42.50	$35.00	Target $25.00
34	42%	52%	66%
33	44%	54%	67%
32	46%	55%	68%
31	47%	57%	69%
30	49%	58%	70%

Estimated Net Cost of Power ($/MWh)

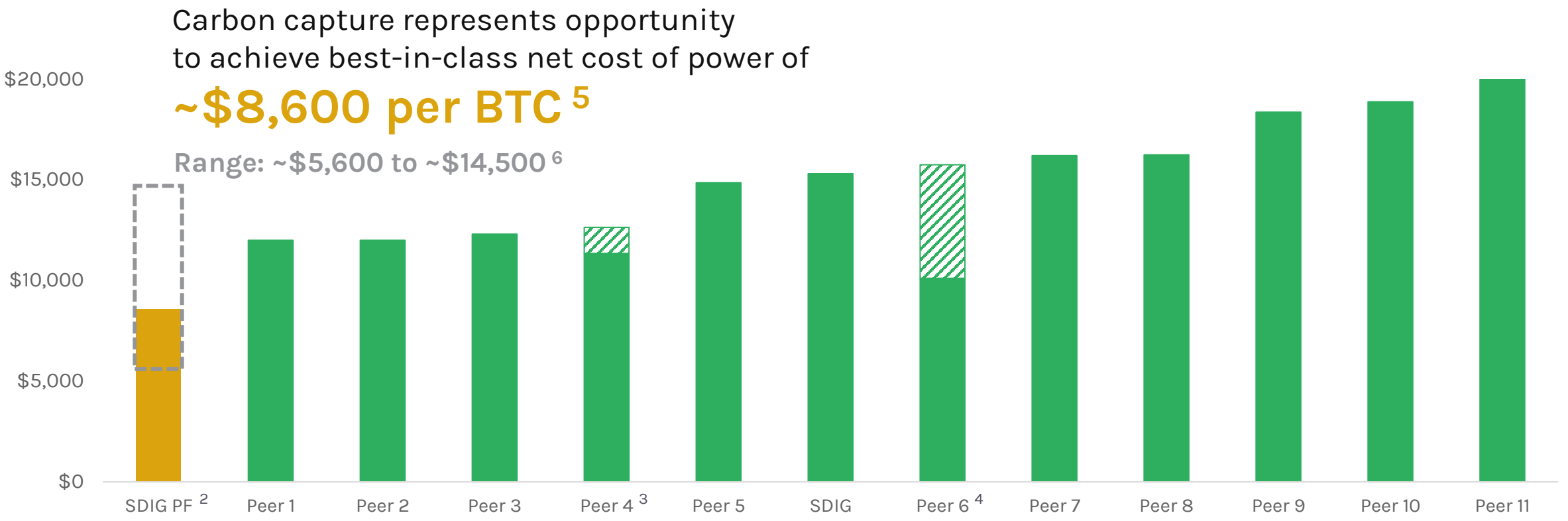
Potential Efficiency (J/T)	$70.00	$60.00	$50.00	$40.00
35	2%	16%	30%	44%
32	10%	23%	36%	49%
29	19%	30%	42%	54%
26	27%	38%	48%	58%
23	36%	45%	54%	63%

- Two primary levers Bitcoin miner can use to improve gross mining margin:
  - Reduce cost of power and
  - Improve energy efficiency of miner fleet
- Many miners have announced significant capital investments to enhance miner efficiency, which enhances margin profile and is reflected in the output on the left
- Stronghold margin profile is currently attractive relative to estimated range for public peers
- We believe that the carbon capture opportunity has the potential to reduce Stronghold's cost of power to a level where our implied gross margin would be the best among its public Bitcoin mining peers, despite peer investment in fleet upgrades

1. Gross mining margin defined as (Bitcoin mining revenue – cost of power) / Bitcoin mining revenue

Compelling Cost of Power Compared to Bitcoin Mining Peers

Standardized Electricity/Hosting Cost per Coin [1]



1. Q1 2024 estimated costs based on equity research report dated 10/9/23, which assumes network hash rate of 450 EH/s; peers include CLSK, RIOT, BITF, WULF, IREN, CIFR, HUT, BTDR, ARGO, MARA, BTBT
2. SDIG PF adjusted for carbon capture (based on page 27 and page 33)
3. Peer 4 adjusted to reflect 2024E cost of power provided by this company
4. Peer 6 adjusted to exclude sales of electricity
5. Represents a PF net cost of power of ~$24/MWh, which assumes 100k tons of CO_2 captured per year, $160/ton price of CO_2 removal certificates, and qualification for 45Q DAC tax credits (see page 27 for additional assumptions)
6. Represents a range of ~$16/MWh to ~$40/MWh for net cost of power, per page 27

Maximizing Value from Our Bitcoin Mining Operations

Current Operations

- Stronghold fully owns ~3 EH/s of Bitcoin miners and has strategic Bitcoin Mining Agreements for the remaining ~1 EH/s of mining capacity
    - Unique Bitcoin Mining Agreements: Stronghold shares in the profits of mining Bitcoin and selling power to the grid with no capital outlay
- Frontier Mining has achieved 95%+ utilization at Panther Creek and greatly improved miner efficiency at Scrubgrass with significant utilization gains expected

Future Opportunities

- Evaluating opportunities to high-grade portions of our fleet to replace our least efficient miners ahead of the halving
    - Prices remain compelling
- Continue to evaluate additional mining sites

Stronghold Bitcoin Revenue ($/MWh)

Carbon Capture

Stronghold's Beneficial Use Ash Proven to Capture Carbon

Large-Scale CO_2 Removal

Potential to capture up to **~100k tons of CO_2** from ambient air annually by end of 2024 [1]

Financially Transformative

Potential to drive up to **~$30mm** of incremental annual EBITDA and reduce Stronghold's net cost of power to as low as **~$16/MWh** [2]

Low Technology Risk

Carbon capture process is largely a combination of basic chemistry and airflow

1. See inputs and assumptions on page 25
2. See inputs and assumptions on pages 26-27; assumes receipt of 45Q tax credits; see Disclaimer page for details and risks associated with 45Q; it is currently uncertain whether we will be successful in monetizing our carbon program

Stronghold Carbon Capture

Third-party lab results indicate that **our ash can capture CO_2 at a capacity of up to 12% by weight of starting ash**, and initial analysis of field results is supportive of this conclusion

Worked with construction, design, and engineering partners to develop **direct air capture ("DAC")** technology that utilizes the stack effect to drive air through ash

First DAC unit installed at Scrubgrass on November 10th and has been running initial pilot tests since

1. Actual CO_2 absorption may vary, including by site, type of ash, arrangement of ash, and weather conditions

How Our Direct Air Capture Technology Works

Calcium Oxide
CaO

+

Carbon Dioxide
CO_2

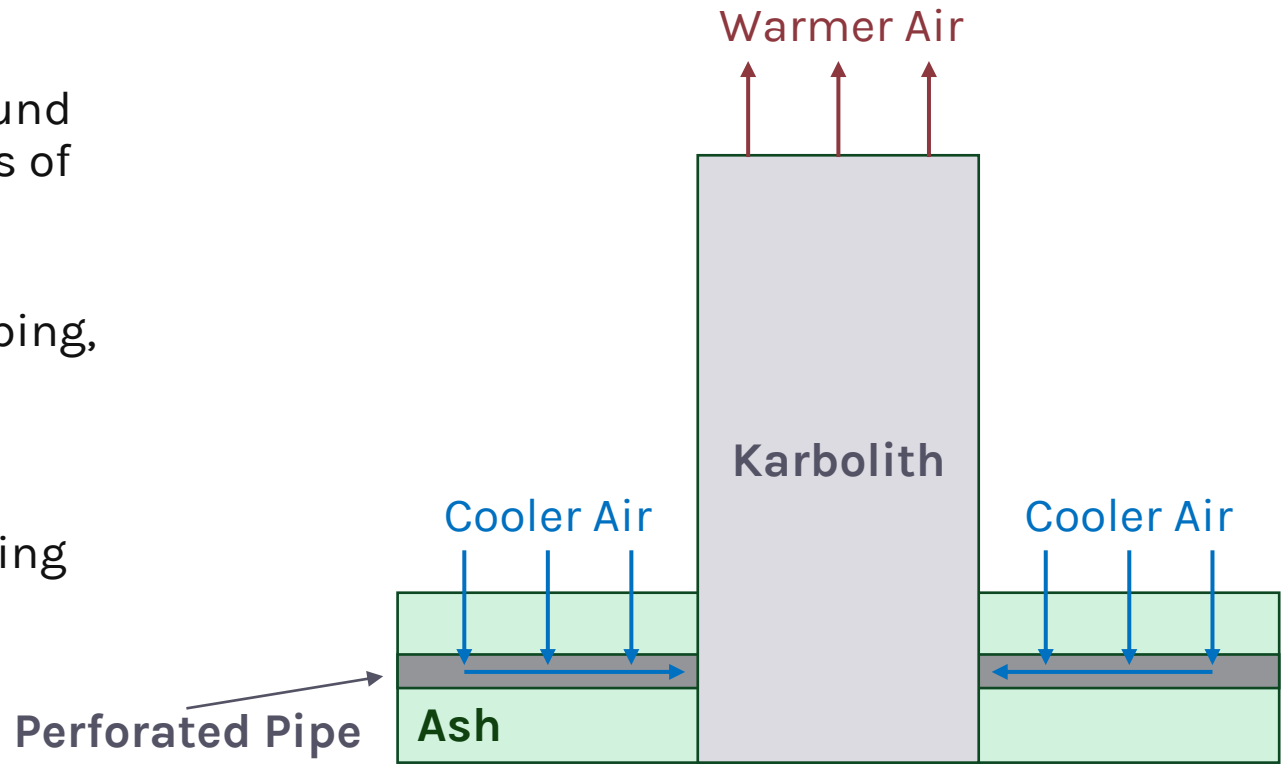
=

Calcium Carbonate
$CaCO_3$

1. Beneficial use ash is removed from plant and quickly spread among Karboliths, on and around perforated piping that extends from the bases of the Karboliths

2. Ambient air is drawn through ash, into the piping, and up through the Karboliths

3. As air passes through the ash, CO_2 in the air naturally bonds with the CaO in the ash, forming $CaCO_3$ (calcium carbonate, a stable and geologically stable solid) – thus, the ash permanently absorbs the CO_2



Process Expected to Dramatically Increase CO_2 Removals

Status Quo Process

1. Ash is dispensed from facilities
2. Most ash is promptly transported back to mining waste piles, replacing the waste as it is extracted, until fully reclaimed
3. Ash is packed into ground and covered with soil to revegetate land

Note: Given ash's limited exposure to air, little carbonation occurs

Expected Process with Carbon Capture

1. Ash is dispensed from facilities
2. Ash is immediately directed to a field and methodically spread out among Karboliths™ to maximize aeration
3. Karboliths™ drive airflow through ash, facilitating permanent and secure carbonation
4. After carbonation has occurred, CO_2 removals are quantified, and most ash is transported back to mining waste piles
5. Ash is packed into ground and covered with soil to revegetate land (working on alternative uses as well)
6. CO_2 is permanently and securely stored[1]

First Installed Karbolith™ [2]

~25-foot structure uses stack effect to drive ambient air through ash

1. Ash may release CO_2 in the remote event that it is exposed to extreme heat (1,500 degrees Fahrenheit) or hydrochloric acid
2. Design subject to change based on results from initial units; contemplating larger structure (up to ~50 feet) to evaluate how size of the unit impacts carbon capture results

Scrubgrass Initial Field Test Results Are Supportive of Lab Results

Confirmed capability of Karbolith and more ultimate potential capture than previously expected

Process

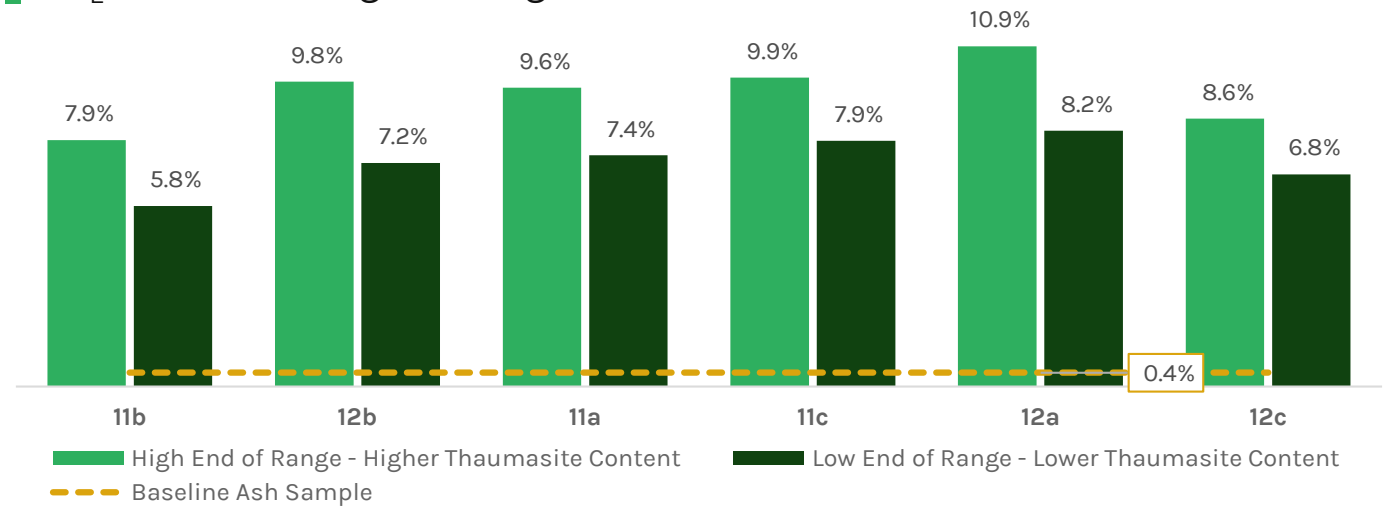
- Ash samples are taken at various point in the carbon capture process, sealed in air-tight bags, and shipped to a third-party lab
  - "Baseline Ash Samples" are taken immediately after ash is dispensed from plant – tested for CO_2 content (for a baseline/reference point to quantify how much CO_2 is present before Karbolith process) and CaO content (to identify additional CO_2 capture potential)
  - "Exposed Ash Samples" are taken "from around Karbolith" following various exposure times from various depths – tested for CO_2 content to quantify carbon captured
- Lab measures chemical composition samples using industry-standard techniques (QXRD and TGA), and results are analyzed by Karbonetiq and Stronghold

Ash Test Results From Scrubgrass

- Tested 3 batches of exposed ash and 2 batches of baseline ash (18 samples in aggregate)
- **Baseline Ash** shows low levels of CO_2 (~0.4% of starting dry ash weight) and high levels of CaO
  - Little carbonation has occurred before process
  - With ~17% CaO by starting weight of dry ash, **potential exists to capture CO_2 at capacity of >13% by starting dry ash weight**
- **Exposed Ash** shows higher CO_2 content (~6-11% of starting dry ash weight)
  - Ash has captured significant amount of CO_2 after 7-12 days in the field

Summarized Test Results for Recent Exposed Ash Samples[1]

CO_2 as % of Starting Ash Weight



Next Steps

- Increase rate of capture through iteration around Karbolith design, Karbolith spacing, and ash placement to maximize airflow and exposure of CaO to CO_2
- Refine capture estimates through incorporation of mass spectrometry with TGA

1. Represents Karbonetiq's interpretation of QXRD and TGA test results

Potential to Be Among World's Largest DAC Projects & The Largest Announced U.S. DAC Project Operational Before 2025[1]

~800-900k tons

of ash produced per year[2]

Up to 12%

CO_2 capture capacity by weight of starting dry ash[3]

Implies up to ~100k tons of CO_2 captured per year

Two Potential Income Streams

~$130-190/ton

Voluntary CO_2 removal certificate pricing[4]

Implies ~$13-19mm in annual proceeds from carbon credit sales (at 100k tons of CO_2)

$180/ton

45Q DAC tax credits (project intended to qualify)[5,6]

Implies ~$18mm in addl. annual proceeds (at 100k tons of CO_2), potential to occur by 2025/26

U.S. DAC Projects with First Operation Before 2030[1]

#	Project Name	Partners	First Operation Year	Announced Capacity (000s of Tons of CO_2 per Year)
1	Project Bison (WY) Phase 4	CarbonCapture, Frontier Carbon Solutions	2028	4,000
2	HIF USA eFuels Matagorda County (TX)	HIF USA	2026	2,200
3	Oxy CE Kleberg County DAC plants (TX)	Occidental, 1PointFive, Carbon Engineering	2025	1,000
4	Project Bison (WY) Phase 3	CarbonCapture, Frontier Carbon Solutions	2028	800
5	DAC-1 Ector County (TX) train 1	Occidental, 1PointFive, Carbon Engineering	2025	500
6	DAC-1 Ector County (TX) train 2	Occidental, 1PointFive, Carbon Engineering	2026	500
7	Project Bison (WY) Phase 2	CarbonCapture, Frontier Carbon Solutions	2026	200
8	**Stronghold Carbon Capture[7]**	**Stronghold Digital Mining**	**2024**	**60-100**
9	Project Bison (WY) Phase 1	CarbonCapture, Frontier Carbon Solutions	2024	10
10	TBD[8]			

1. See: *CCUS Projects Explorer*. IEA, 2023, https://www.iea.org/data-and-statistics/data-tools/ccus-projects-explorer
2. Tons produced by Scrubgrass and Panther when operating at baseload capacity, inclusive of fly ash and bottom ash
3. Based on extrapolation of Scrubgrass ash lab results; CO_2 absorption may vary, including by site, type of ash, arrangement of ash, and weather conditions
4. Approximate 2023 range for Puro's CO_2 Removal Certificate Weighted Index, quoted in Euros; assumes 1.07 USD:EUR
5. Subject to adjustment based on lifecycle analysis
6. Qualification at this amount requires secure geological storage based on current 45Q requirements; see Disclaimer page for details and risks associated with 45Q
7. We expect to achieve our target capture capacity by the end of 2024, although this may be impacted by various factors
8. No other projects included in IEA database fit parameters and have announced target CO_2 capture capacities

Carbon Capture Represents a Compelling Value Proposition

Potential to capture ~60-100k tons of CO_2 annually, which could drive **transformational EBITDA uplift** of ~$13-31mm annually with 45Q tax credits, or ~$3-14mm without 45Q tax credits [1,2,4]

Key variables:

- Quantity of CO_2 captured driven by amount of ash processed, and timing thereof, and ash-CO_2 absorption capacity
- Price of CO_2 removal certificates based on Puro's CO_2 Removal Certificate Weighted Index Family, which has trended between $130 and $190 in 2023 [3]
- 45Q tax credits shown for DAC sequestration at $180/ton [4]

Illustrative Tons of CO_2 Captured Annually

		CO_2 Captured % of Starting Dry Ash Weight		
		8.0%	10.0%	12.0%
Tons of Dry Ash Utilized per Year	700,000	56,000	70,000	84,000
	800,000	64,000	80,000	96,000
	900,000	72,000	90,000	108,000
	1,000,000	80,000	100,000	120,000

1. Assumes 10% of carbon credit proceeds and 5% of 45Q tax credit proceeds paid out in the form of fees and royalties, annual fixed opex of $1.5mm, and variable opex of $30 per ton of CO_2 captured; see Disclaimer page for details and risks associated with 45Q
2. If we qualify for 45Q tax credits, it is unlikely that we receive such credits until 2025 or 2026 (however, a three-year lookback applies); we expect that we will begin selling some quantum of voluntary carbon credits in 2024 and in earnest by 2025
3. Puro's CO_2 Removal Certificate Weighted Index Family is quoted in Euros; conversion based on 1.07 USD:EUR exchange rate; such pricing may change in the future, including due to entry of additional market participants; there are also additional requirements that must be satisfied in order to be listed, and we cannot make any assurance we will be able to do so or, even if we do, to maintain compliance with such additional requirements going forward
4. We are exploring our ability to qualify for 45Q tax credits; see Disclaimer page for details and risks associated with 45Q

Illustrative EBITDA Uplift ($mm) [1,2,4]

Assumes Receipt of Voluntary Credits and $180/ton 45Q Tax Credits		Price of CO_2 Removal Certificates ($/ton)				
		$120	$140	$160	$180	$200
Tons of CO_2 Captured per Year	60,000	$13	$15	$16	$17	$18
	70,000	$16	$17	$18	$20	$21
	80,000	$18	$20	$21	$23	$24
	90,000	$21	$23	$24	$26	$27
	100,000	$23	$25	$27	$29	$31

Assumes Receipt of Voluntary Credits Only		Price of CO_2 Removal Certificates ($/ton)				
		$120	$140	$160	$180	$200
Tons of CO_2 Captured per Year	60,000	$3	$4	$5	$6	$8
	70,000	$4	$5	$6	$8	$9
	80,000	$5	$6	$8	$9	$11
	90,000	$6	$7	$9	$10	$12
	100,000	$6	$8	$10	$12	$14

Significant Potential Benefit to Stronghold's Net Cost of Power

EBITDA Uplift = Net Cost of Power Reduction because ash is byproduct of power generation

- Potential new income from carbon capture would improve the economics of our existing business
- Carbon capture has potential to drive net cost of generating power to less than $20/MWh (over 50% reduction from current guidance of $40-45/MWh) in the event that we qualify for 45Q tax credits [1,2,3]

Illustrative Impact on Net Cost of Power [1,2,3]

Assumes 80,000 Tons of CO_2 Captured per Year

Net Cost of Power Guidance Midpoint ($/MWh)	$42.50
CO_2 Removal Credits	$160
45Q Tax Credits	$180
Gross Revenue ($ / ton of CO_2)	$340
Gross Revenue ($mm)	**$27**
(-) Fees, Royalty, Opex ($mm)	($6)
Implied EBITDA ($mm)	**$21**
(/) Illustrative MWh (130 MW net output)	1,138,800
Implied Net Cost of Power Reduction ($/MWh)	**$19**
Illustrative Pro Forma Net Cost of Power ($/MWh)	**$24**

1. We are exploring our ability to qualify for 45Q tax credits; see Disclaimer page for details and risks associated with 45Q
2. Assumes 10% of carbon credit proceeds and 5% of 45Q tax credit proceeds paid out for fees and royalties, annual fixed opex of $1.5mm, variable opex of $30 per ton of CO_2, and 130 MW of average net power output
3. If we qualify for 45Q tax credits, it is unlikely that we receive such credits until 2025 or 2026 (however, a three-year lookback applies); we expect that we will begin selling some quantum of voluntary carbon credits in 2024 and in earnest by 2025

Illustrative Pro Forma Net Cost of Power ($/MWh) [1,2,3]

Assumes Receipt of Voluntary Credits and $180/ton 45Q Tax Credits		Price of CO_2 Removal Certificates ($/ton)				
		$120	$140	$160	$180	$200
Tons of CO_2 Captured per Year	60,000	$31	$30	$29	$28	$27
	70,000	$29	$27	$26	$25	$24
	80,000	$26	$25	$24	$23	$21
	90,000	$24	$23	$21	$20	$18
	100,000	$22	$20	$19	$17	$16

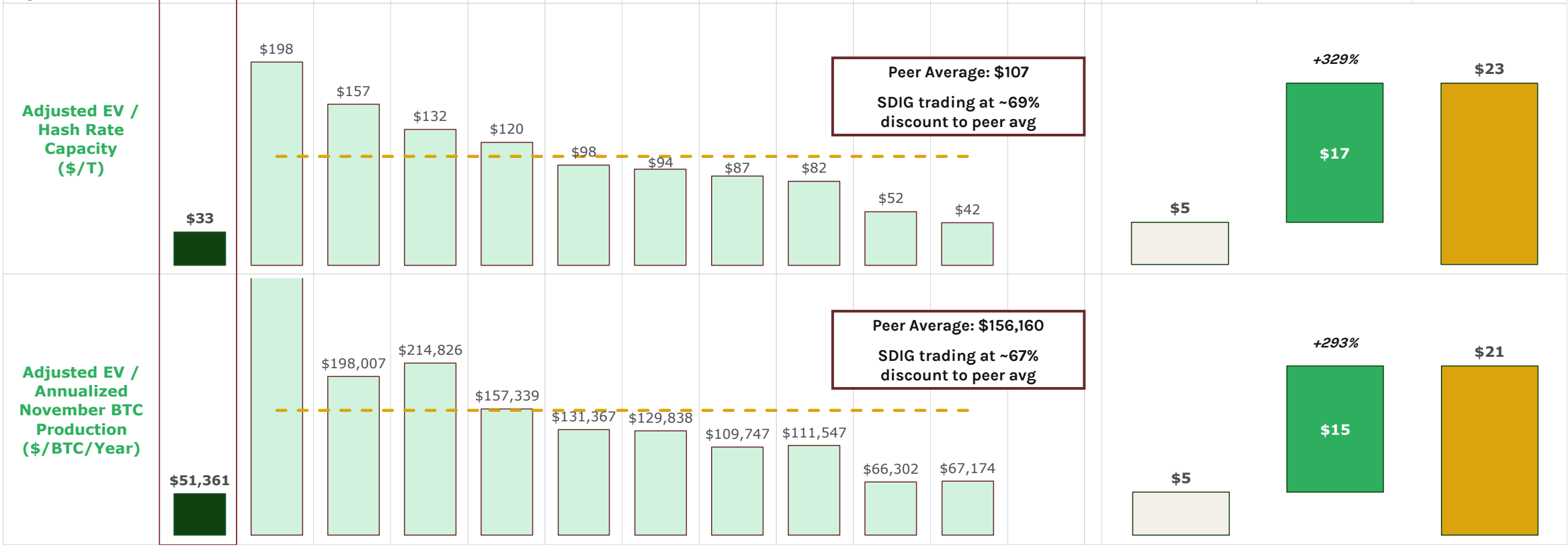
Assumes Receipt of Voluntary Credits Only		Price of CO_2 Removal Certificates ($/ton)				
		$120	$140	$160	$180	$200
Tons of CO_2 Captured per Year	60,000	$40	$39	$38	$37	$36
	70,000	$39	$38	$37	$36	$35
	80,000	$38	$37	$36	$35	$33
	90,000	$38	$36	$35	$33	$32
	100,000	$37	$35	$34	$32	$31

Conclusion

Where We Are: Acute Relative Value Dislocation

Select valuation metrics for public self-mining-focused peers

	SDIG	Peer 1	Peer 2	Peer 3	Peer 4	Peer 5	Peer 6	Peer 7	Peer 8	Peer 9	Peer 10	Peer Average
Market Cap	$79	$3,048	$1,709	$3,460	$301	$379	$698	$339	$547	$362	$87	**$1,001**
Enterprise Value	$131	$2,782	$1,696	$3,677	$294	$509	$699	$364	$527	$294	$118	**$1,008**
(-) BTC Holdings	–	($324)	($113)	($617)	($24)	–	($25)	–	($2)	–	($1)	**($101)**
Adjusted EV	$131	$2,459	$1,582	$3,060	$269	$509	$675	$364	$525	$294	$117	**$908**



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 12/6/23; all peer data for BTC holdings, hash rate, and BTC production pulled directly from peers' November 2023 disclosures; Stronghold makes no representation as to the accuracy of Bloomberg data and peers' disclosures; Peers include RIOT, CLSK, MARA, BTBT, WULF, CIFR, HIVE, BITF, IREN, ARBK

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)]

Opportunities to Differentiate Ourselves in the Market

Execute on carbon capture opportunity: **$30 million** of potential run-rate EBITDA by 2025/2026

Improved execution in data centers and improved utilization of existing hash rate: **$650k-$1mm ($0.08-0.10/THs hash price) EBITDA** per 1% utilization improvement; Frontier Mining execution excellent thus far

Bitcoin mining growth opportunities including additional data centers, high-grading of existing miner fleet: **$5-10 million of incremental EBITDA potential**

Own **$10-20mm** of existing end-to-end data center equipment to be potentially deployed at additional sites or monetized if compelling opportunities arise

Continue finding and executing on cost-cutting initiatives. O&M run-rate improving, and Cash G&A expected to be **$16-18 million in 2024** vs. $18-20 million in 2023, for example

Carbon Capture Panel

Moderated by Stronghold CEO Greg Beard

Michael Wyrsta, PhD

Co-Founder & CEO
Karbonetiq

Mark Tilley, PhD

Co-Founder & Chief Business Officer, Karbonetiq

Seth Baruch

CEO of Carbonomics

Matt Usdin

SVP, General Counsel
Stronghold

Appendix

Carbon Capture Key Assumptions

Tons of CO_2 Captured	• Total ash production of 800-900k metric tons at baseload capacity utilization • 8-12% CO_2 capture by weight of ash • **Implies ~60-100k tons of CO_2 captured**
Multiple Income Streams	• Private Market: $120-200/ton, beginning 2024, reaching capacity in 2025 • IRS 45Q: up to $180/ton, earliest qualification would be 2025 but 2026 is more likely
Operating Expenses	• 10% of carbon credit gross proceeds and 5% of 45Q tax credit proceeds paid out in the form of fees and royalties • Annual fixed opex of $1.5mm (includes personnel and equipment leasing) • Variable opex of $30 per ton of CO_2 captured • No incremental G&A
Capital Expenditures	• 100-150 Karboliths™ @ $40-60k per Karbolith™ for equipment • $1-2mm for labor/construction

Pictured: Actual Reclaimed Mining Waste Site

Investor Contact

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STRONGHOLD