



Ionic Digital Board of Directors Sends Proxy Materials and Issues Letter to Stockholders Ahead of Annual Meeting

Highlights Foundation-Setting Progress and Reaffirms Commitment to Drive Long-Term Stockholder Value and Strategic Growth

Strongly Encourages Stockholders to Vote “FOR” the Company’s Nominee for Election to the Board, Elizabeth LaPuma, Using the WHITE Proxy Card

Exposes Figure Markets’ and GXD Labs’ Self-Serving Agenda and Urges Stockholders to IGNORE the GOLD Proxy Card from Dissident Stockholders

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AUSTIN, Texas – February 24, 2025 – Members of the Ionic Digital Inc. Board of Directors (the “Board”) and Ionic Digital’s Interim Chief Executive Officer Anthony McKiernan today issued a letter to stockholders (the “Letter”) in connection with the release of its proxy materials and the Company’s Annual Meeting of Stockholders (“Annual Meeting”) to be held on March 17, 2025. The Letter details the Company’s foundation-setting progress in 2024, including the energization of its Cedarvale facility in Texas, (“Cedarvale”), and highlights its priorities, momentum, and outlook for 2025.

Whether or not the Dissident Stockholders have complied with Bylaw Section 2.4 and are legally entitled to bring forth any nominations, the Letter also highlights what the Board believes are significant conflicts of interest and risks to the value of Ionic shares if two alleged nominees, Mike Abbate and Oliver Wiener (the “Dissident Nominees”), allegedly proposed by Ionic stockholders, Brett Perry, Veton Vejseli, and Christopher Villinger (the “Dissident Stockholders”) are elected to the Board.

The Dissident Stockholders and the Dissident Nominees are acting on behalf of - and financially backed by - non-stockholders of Ionic, including Mike Cagney and his company Figure Markets, an unproven Alternative Trading System (“ATS”), and a founder of GXD Labs LLC (“GXD Labs”). These non-stockholders are pursuing their own self-serving business agendas, aiming to push Ionic into risky, self-dealing transactions that prioritize their own interests over the well-being of Ionic stockholders.



Mr. Cagney is advocating for Ionic to list its shares on an unproven ATS, Figure Markets, a narrow objective which differs from the Company's stated intention of listing on a national securities exchange (such as Nasdaq or the New York Stock Exchange) or engaging in complementary or alternative transactions to provide liquidity options and maximize value for stockholders. Similarly, GXD Labs has previously sought to be engaged by the Company to pursue litigation claims in exchange for significant fees and to cause the Company to engage in various management services at the expense of Ionic stockholders.

The Board believes listing on Figure Markets poses significant risk to the value of Ionic Digital's shares and presents a direct conflict of interest. Mr. Abbate, a Dissident Nominee, currently serves as an advisor to Figure Markets, previously served as Chief Investment Officer of Figure Markets, and as of February 15, 2025, owns approximately 1.5% of outstanding shares of Figure Markets, which would prevent Mr. Abbate from acting in an independent capacity. Mr. Wiener, also a Dissident Nominee, lacks risk management expertise, and is a former Portfolio Manager at Standard Industries, which he departed from after he led Standard Industries' investment in FTX prior to its bankruptcy. Mr. Wiener also previously served as an advisory board member to FTX prior to its bankruptcy.

To protect stockholders' investment and the Company's future, the Board strongly recommends stockholders to vote FOR Ionic Digital's board nominee, Elizabeth LaPuma using the WHITE proxy card, and to NOT sign or return the GOLD proxy card sent to stockholders by, or on behalf of, the Dissident Stockholders.

Ms. LaPuma, an independent and diverse nominee without conflicting business interests like Mr. Abbate's, is a highly qualified professional who brings more than two decades of financial advisory and board expertise across a wide range of industries. Ms. LaPuma has served as a director of the Company since its incorporation. Throughout 2024, Ms. LaPuma has been focused on liquidity options for stockholders, identifying a replacement auditor and working towards completion of the audit. Ms. LaPuma has served as Chairwoman of the Board since September 2024. During her tenure, Ms. LaPuma has worked with management to energize the Company's Cedarvale facility to drive long-term growth and maximize stockholder value.

Find our proxy materials and more information on why your vote is critical to the future of Ionic Digital at www.proxydocs.com/IONICDigital. The full text of the Board's letter to our stockholders can be found here:



Ionic Stockholders:

On behalf of the Board of Directors (the “Board”) of Ionic Digital Inc. (“Ionic” or the “Company”), we are pleased to invite you to attend the 2025 Annual General Meeting of the Company’s stockholders (the “Annual Meeting”) to be held at 9 a.m. Eastern on Monday, March 17, 2025. The Annual Meeting will be virtual-only, the live webcast of the meeting will be available via the virtual meeting portal at www.proxydocs.com/IONICDigital. To participate in the Annual Meeting, you must pre-register at www.proxydocs.com/IONICDigital by March 16, 2025, at 10 p.m. Eastern.

The Notice of Annual General Meeting of Stockholders and the additional information accessible at www.proxydocs.com/IONICDigital includes details about the Annual Meeting, our nominee for election to the Board, and information regarding virtual attendance for the Annual Meeting. We encourage you to carefully read the information accessible at www.proxydocs.com/IONICDigital, as it contains important information about the Annual Meeting.

The Board’s immediate priorities are liquidity options for stockholders and working towards completion of the audit with the replacement auditor.

In Ionic’s inaugural year, foundation-setting progress has been made across many operational and organizational fronts, and we are looking forward to sharing additional information on Ionic’s performance and achievements in 2024, as well as the Board’s views on the Company’s future in 2025.

Board Overview

In 2024, the Board focused on three critical objectives:

- Ensuring the energization of the Cedarvale site remained on budget and on schedule;
- Evaluating the contractual performance of the Master Services Agreement between the Company and Hut 8 (the “MSA”) to ensure maximum value; and
- Positioning the Company to maximize long-term stockholder value.

The Board, comprised of Scott Duffy, Thomas DiFiore, Scott Flanders and Elizabeth LaPuma, along with the management team, remain committed to responsive corporate governance with a focus on managing risk and positioning Ionic to continue to execute on its long-term goals. Ms. LaPuma is standing for re-election to the single Class I seat on the Board that is up for election at the Annual Meeting.



Ionic's 2024 Performance

With outlined objectives in mind, the Board and the Management team achieved the following milestones, which reinforce the Board's commitment to financial discipline, operational efficiency, and long-term value creation for stockholders:

- As of January 16, 2025, the Cedarvale, Texas 215-megawatt facility is fully energized and actively mining Bitcoin seven days a week. Across all of our mining locations in 2024, Ionic mined 2081 Bitcoin, operated at a daily average Hash Rate of 6.51 EH/s.
- Following a thorough review by an independent global financial advisory firm, the Board determined that Hut 8 was in breach of its contractual agreement with Ionic. As a result, the Board terminated the MSA, ensuring a professional and efficient transition while safeguarding the Company's interests. Through this process, the Board rightsized its operational expenses and replaced operational and administrative management with Ionic personnel and trusted vendors.
- Since its inception, the Company has maintained a zero-debt position while making significant infrastructure investments, demonstrating the Board and Management's commitment to responsible growth and diligent risk management.
- The Audit Committee engaged BDO as the Company's new auditor after an extensive evaluation process. The Board has been working closely with BDO to prepare the Company's initial audit for the partial 2024 calendar year. Progress remains steady, laying the foundation for liquidity options for stockholders in 2025.

Positioning Ionic for the Future

As Ionic looks to the future, management and the Board are determined to find the right path to optimize the Company for growth, position the Company for future capital markets access, and maximize stockholder value. We are working with leading financial advisors to support the Company in its efforts to list on a regulatory compliant national securities exchange and evaluate any alternative or complementary transactions to provide liquidity to stockholders, consistent with Ionic's commitment to maximizing stockholder value. For example, Ionic Digital is exploring diversified revenue sources driven by AI and data center market appetite.



We began operations with 28,000 miners in company-owned facilities and 41,000 in hosted facilities. By December 31, 2024, our total fleet increased to 86,000 miners in company-owned facilities and 27,000 in hosted facilities. As we have shared, the Board has determined a minimum cash position be maintained through the selling of a judicious portion of the 2551.31 Bitcoin on our balance sheet as of January 31, 2025, which will allow us to take advantage of favorable trading dynamics and generate liquidity to fund infrastructure investments across our facilities. This strategic lever ensures we continue to deliver value for our stockholders and position the business for the future by maintaining our HODL strategy while also providing us with the necessary liquidity to make infrastructure investments without taking on debt. We remain confident in our strategy and believe that our zero-debt position, rightsized operational structure following the termination of the Hut 8 MSA, and attractiveness of our sites provide us with an extremely advantageous position for 2025 and beyond.

Dissident Stockholder Warning

Your vote will be especially important at this year's Annual Meeting. Whether or not the Dissident Stockholders have complied with Bylaw Section 2.4 and are legally entitled to bring forth any nominations, the Dissident Stockholders (Brett Perry, Veton Vejseli and Christopher Villinger), each a stockholder of record of the Company, have purported to provide notice that they intend to propose two nominees (the "Dissident Nominees") Mike Abbate, and Oliver Wiener, to stand for election to our board of directors (the "Board"), in opposition to the nominee recommended by the Board, Elizabeth LaPuma.

The Board does NOT endorse the Dissident Nominees and unanimously recommends that you vote "FOR" the election of the Company nominee, Ms. LaPuma. The Board strongly urges you NOT to sign or return any proxy card sent to you by, or on behalf of, the Dissident Stockholders. The Dissident Stockholders are acting on behalf of and financially backed by non-stockholders of Ionic, including Mike Cagney and his company, Figure Markets Holdings, Inc. ("Figure Markets").

The Dissident Stockholders, acting on behalf of Mr. Cagney, are seeking to elect the Dissident Nominees to advance the financial interests of Mr. Cagney and Figure Markets by listing Ionic's shares on Figure Markets, an unproven Alternative Trading System ("ATS"), which the Board believes poses significant risk to the value of Ionic's shares. This differs from the Company's stated intention of listing on a regulatory compliant national securities exchange or engaging in complementary or alternative transactions to provide liquidity and maximize value for stockholders.

You may receive proxy solicitation materials from, or on behalf of, the Dissident Stockholders. The Board recommends that you disregard them. We are not responsible for the accuracy of any information provided by, or relating to, the Dissident Stockholders or the Dissident Nominees contained in any proxy solicitation materials, filed or if and when disseminated by, or on behalf of, the Dissident Stockholders or any other statements that the Dissident Stockholders or their representatives have made or may otherwise make.



Please Vote Your Shares

Your vote matters and is important to us, and we encourage all stockholders to read the accompanying materials. The Board unanimously recommends a vote FOR the director nominee chosen by your Board, Elizabeth LaPuma.

Ionic stockholders can vote by using your Control Number found in your email or on the vote proxy form and visiting www.proxypush.com/IONICDigital, or by the automated telephone line 866-286-3608 and following the prompts.

If you prefer to speak to a live voting agent or have any questions regarding voting at this meeting, please contact our Voting Agent toll-free at 888-858-9906 Monday to Friday between 9 a.m. and 6 p.m. Eastern.

Voting as soon as possible will ensure you are represented at the Annual Meeting, and we appreciate your support, regardless of the amount of shares you hold. Even if you have previously given the opposition group your vote, by voting today with us, you will cancel any previous proxy given, and only your vote with the Board will count.

Thank you for your continued support of Ionic Digital.

Sincerely,

/s/ Anthony McKiernan
Anthony McKiernan
Interim Chief Executive Officer

/s/ Thomas DiFiore
Thomas DiFiore
Director

/s/ Scott Duffy
Scott Duffy
Director

/s/ Scott Flanders
Scott Flanders
Director

/s/ Elizabeth LaPuma
Elizabeth LaPuma
Chair



About Ionic Digital

Ionic Digital is a prominent Bitcoin miner and emerging innovator in energy monetization. With facilities across the United States and more than 110,000 active miners, Ionic expects to drive the next generation of energy efficient, low-cost computing through sustainable Bitcoin mining. For more information, visit ionicdigital.com and follow us on X at @IonicDigital.

Contacts

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