

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Pursuant to IRC Sec. 301(c)(1), a distribution which is a dividend (as defined in IRC Sec. 316), is includable in gross income. Pursuant to IRC Sec. 301(c)(2), that portion of the distribution which is not a dividend shall be applied against and reduce the adjusted basis of the stock. Pursuant to IRC Sec. 301(c)(3), that portion of the distribution which is not a dividend, to the extent that it exceeds the basis of the stock, shall be treated as a gain from the sale or exchange of property.

18 Can any resulting loss be recognized? ▶ No loss is recognized on the return of capital distribution. The reduction in shareholder basis may affect the amount of gain or loss realized on the sale of the shares.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ This organizational action is reportable with respect to the taxable year ended December 31, 2021.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ *Jessica Thomas* Date ▶ May 10, 2022

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	James Daniels				P00603621
	Firm's name ▶ UHY Advisors NY, Inc.	Firm's address ▶ 4 Tower Place, Executive Park, 7th Floor, Albany, NY 12203		Firm's EIN ▶	14-1555429
				Phone no.	518-449-3166

Soluna Holdings, Inc.
14-1462255
Year ended December 31, 2021
Supplemental Attachment to Form 8937

	Distribution date	Total Distribution	Total # of Shares	Total Distribution Per Share	Non-taxable Return of Capital Per Share
Stockholders - Preferred Stock					
	8/23/2021	\$ 40,500.00	720,000	0.05625	0.05625
	9/28/2021	\$ 135,000.00	720,000	0.18750	0.18750
	10/27/2021	\$ 152,858.00	806,585	0.18951	0.18951
	11/24/2021	\$ 151,235.00	806,585	0.18750	0.18750
	12/27/2021	<u>\$ 151,235.00</u>	806,585	0.18750	0.18750
		\$ 630,828.00			