

SOLUNA  
HOLDINGS

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COMPUTING

# Capital Structure Update

July 2022



# Preamble

- ▶ The following discussion is [completely qualified by the legal disclosures](#) on the several pages following this one
- ▶ Our goal is to [share with you some of our strategic thinking and financial analysis](#) we are using to guide the growth of our business
- ▶ The discussion is in line with our principles of being [accountable and transparent](#) with shareholders
- ▶ We operate in a [hyper dynamic economic environment](#). That's a fancy way of saying [things change quickly](#). What we are telling you here is based on [our estimates and assumptions which are our best guess](#). We reserve the right to revise our point of view based on new information and changes in the business environment
- ▶ Despite an uncertain, dynamic environment, we must plan and make operating and investment decisions. This presentation lays some of that out for your review



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This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act that reflect our current views with respect to, among other things, our operations, business strategy, interpretation of prior development activities, plans to develop and commercialize our products and services, potential market opportunity, financial performance and needs for additional financing. We have used words like "anticipate," "believe," "could," "estimate," "expect," "future," "intend," "may," "plan," "potential," "project," "will," and similar terms and phrases to identify forward-looking statements in this presentation.

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These risks and uncertainties include, but may not be limited to, those described in our filings with the SEC. Forward-looking statements speak only as of the date of this presentation, and we undertake no obligation to review or update any forward-looking statement except as may be required by applicable law.



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To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: non-gaap revenue, cash contribution margin, cash contribution margin excluding tornado, cash contribution margin excl. tornado & shutdown, adjusted cost of cryptocurrency revenue and adjusted EBITDA contribution. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

## Use of Estimates in Monthly Presentations

Numbers presented BEFORE the release of Form 10-Q for second quarter ended June 30<sup>th</sup>, 2022, are monthly estimates and subject to change upon final accounting adjustments and entries. These monthly estimates are presented as an illustration of management's review of key metrics that help in understanding the performance of the Company. Readers are strongly encouraged to review this presentation in connection with the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2022 and the Company's Annual Report on Form 10-K for the year ended December 31, 2021.







# Capital Structure Update



# Increased Capital Structure Flexibility



Amended convertible note allows increased ability to finance growth pipeline



Long-term share holder investing \$5 million – Conversion at premium to market, warrants restruck at \$10.00



Together, the amendment and new funding provides more flexible capital structure and demonstrates investor conviction in Soluna's long term strategy



Project financing process remains active



# Convertible Amendment & Convertible Preferred Series B

## Convertible Amendment

- ▶ Program intended to provide flexibility for holders to begin converting
- ▶ Releases collateral to finance growth pipeline
- ▶ ~\$13 million notes will restrike the conversion price up to 3 times at a 20% discount to market price, current strike price of \$9.18

## \$5 million Series B Convertible Preferred

- ▶ Direct placement to long-term shareholder
- ▶ Conversion at 20% premium to market
- ▶ Warrants re-struck at \$10.00
- ▶ 10% dividend paid in cash or stock annually





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