

Report of Organizational Actions Affecting Basis of Securities

See separate instructions.

Part I Reporting Issuer

1 Issuer's name Soluna Holdings, Inc.		2 Issuer's employer identification number (EIN) 14-1462255	
3 Name of contact for additional information Philip Patman, Jr.	4 Telephone No. of contact 518-218-2550	5 Email address of contact ppatman@soluna.io	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 325 Washington Avenue Extension		7 City, town, or post office, state, and ZIP code of contact Albany, NY 12205	
8 Date of action 2022		9 Classification and description Cash Distribution	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol SLNHP	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action *☑* **As summarized on the attached statement, Soluna Holdings, Inc. made a cash distribution to shareholders that represented a non-taxable return of capital.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis *☑* **The return of capital represented in the cash distribution, as summarized on the attached statement, reduced the shareholders tax basis in their respective shares held.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates *☑* **The change/decrease in shareholder basis, but not below zero, is equal to the share of the cash distribution in excess of current and accumulated Earnings & Profits. The non-taxable return of capital is summarized on the attached statement.**

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, 2022.

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  Date 02/23/2023

Print your name Philip Patman, Jr. Title CFO

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name <u> </u>	Firm's EIN <u> </u>		Phone no. <u> </u>	
Firm's address <u> </u>				

Soluna Holdings, Inc.
 14-1462255
 Year ended December 31, 2022
 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	1/31/2022	\$ 247,341.75	1,319,156	0.18750	0.18750
	2/28/2022	\$ 247,341.75	1,319,156	0.18750	0.18750
	3/31/2022	\$ 247,341.75	1,319,156	0.18750	0.18750
	4/30/2022	\$ 247,341.75	1,319,156	0.18750	0.18750
	5/31/2022	\$ 560,198.81	2,987,727	0.18750	0.18750
	6/30/2022	\$ 573,983.44	3,061,245	0.18750	0.18750
	7/31/2022	\$ 573,983.44	3,061,245	0.18750	0.18750
	8/31/2022	\$ 573,983.44	3,061,245	0.18750	0.18750
	9/30/2022	\$ 573,983.44	3,061,245	0.18750	0.18750
		\$ 3,845,499.57			