

Soluna Holdings, Inc.

More Milestones Reached on the Path of the Company's Evolution

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KEY POINTS

- Project Dorothy interconnection now complete and ready for energization.** Soluna announced that it has completed the final interconnection construction, setting up for the energization of the first 25 MW phase of the project, which will soon be followed by the 25 MW phase (Dorothy 1B). The final energization requests have been submitted to ERCOT (the grid operator) and we expect the project to be energized in the coming weeks. As stated in our previous research, we see the energization of Project Dorothy as game-changing for Soluna.
- Hosting contract at Project Sophie reduces volatility and frees up capital.** The company has signed a 25 MW hosting contract with a leading Bitcoin miner at its modular data center in Kentucky, Project Sophie, which was fully ramped up in March 2022. The customer will begin installing its miners in the coming weeks and Soluna plans to sell its existing miners and redeploy the capital. We see this as a logical step that should allow the company to focus on developing its data centers and removing the volatility of proprietary Bitcoin mining. Further, we see it as a third-party validation of the project.
- YE results in line with expectations; highlight accomplishments, impact of project delays and recent operating cost reductions.** Soluna reported revenues of \$28.5 million, up 99% from \$14.3 million in 2021, but adjusted EBITDA was a loss of \$4.6 million versus a gain of \$1.4 million in 2021. The jump in revenues was mainly driven by the March 2022 energization of Project Sophie, while adjusted EBITDA was affected by mining volatility and project start-up expenses. The company also discussed its recent cost restructuring efforts, which we expect will be seen in 2023 results.

KEY STATISTICS

Ticker:Exchange	SLNH:NASDAQ
Current Price	\$0.25
52-Week Range	\$0.24-\$10.63
Market Cap (\$MM)	\$6.2
Enterprise Value (\$MM)	\$32.1
Shares Outstanding (MM)	24.7
Average Volume (30-Day)	740,968
Fiscal Year-End	December

PRICE PERFORMANCE



ABOUT THE ANALYST



Graham Mattison

Senior Research Analyst

Graham Mattison brings more than 20 years of experience in equity research, investor relations, and corporate operations, growth, and development. Graham was the Investor Relations Officer for two NASDAQ-listed companies where he led multiple equity raises as well as managed an activist investor campaign, M&A and corporate restructuring, and a NASDAQ delisting and relisting.

Previously, he was a Senior Equity Research Analyst, most recently at Lazard Capital Markets, covering the industrial and cleantech industries. He began his career in Southeast Asia as an Investment Analyst for Daiwa Securities. He was also co-founder of an online residential real estate start-up that developed a web-based auction platform.

Graham received his BA in East Asian Studies with minors in Economics and History from Hobart College and his MBA in Finance with honors from the Thunderbird International Business School at Arizona State University. He is an Investor Relations Charter (IRC) holder from the National Investor Relations Institute.

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