



SOLUNA HOLDINGS

Q3 Results and Business Update

November 2023



Preamble

The following content is [completely qualified by the legal disclosures](#) on the slide following this one.

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.

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 content is in line with our principles of being [accountable and transparent](#) with shareholders.

Despite an uncertain, dynamic environment, we must plan and make operating and investment decisions. This presentation lays some of that out for your review.



Legal Disclosure & Disclaimer

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 may use 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.

The forward-looking statements contained in this presentation are based on management's current expectations and are subject to substantial risks, uncertainty and changes in circumstances. Actual results may differ materially from those expressed by these expectations due to risks and uncertainties, including, among others, those related to our ability to obtain additional capital on favorable terms to us, or at all, the success, timing and cost of ongoing or future operations, the lengthy and unpredictable nature of the project development, and technology process and businesses in which we currently engage or may engage.

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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This presentation contains statistical and market data that we obtained from industry publications, reports generated by third parties, and third-party studies. Although we believe that the publications, reports, and studies are reliable as of the date of this presentation, we have not independently verified such statistical or market data.

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Use of Projections and Illustrations - this presentation contains certain financial forecasts and illustrations. Neither Soluna's [nor Soluna Holdings] independent auditors have studied, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation. The material in this presentation is for illustrative purposes only and should not be relied upon as being necessarily indicative of future results.

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

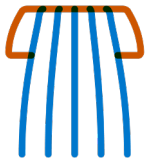
Numbers presented BEFORE the release of Form 10-Q for third quarter ended September 30th, 2022, are monthly estimates and subject to change upon final accounting adjustments and entries. These monthly estimates are presented as an illustration of management's review of key metrics that help in understanding 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 June 30, 2022 and the Company's Annual Report on Form 10-K for the year ended December 31, 2021.





Company Overview






**Excess energy from
renewable sources**

**We buy curtailed
energy from
renewable power
plants and convert it
to clean, low-cost
global computing.**



**Bitcoin Mining and
High Performance
Computing**



**Not all renewable energy now
being produced can be used
because the grid is inflexible...**

\$6.75B

Annually lost revenue due
to wasted energy*

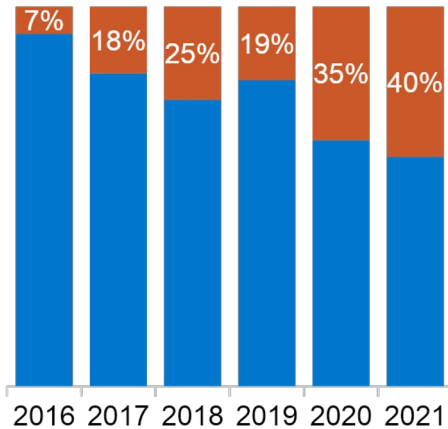
*Based \$30/MWh Global Average LCOE – 2019 Lazard Report



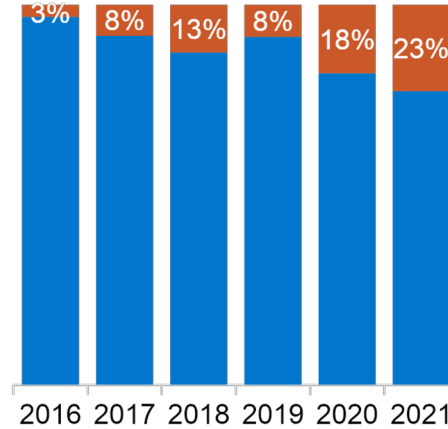
How We're Solving the Wasted Energy Problem

We build data centers that consume curtailed renewable energy.

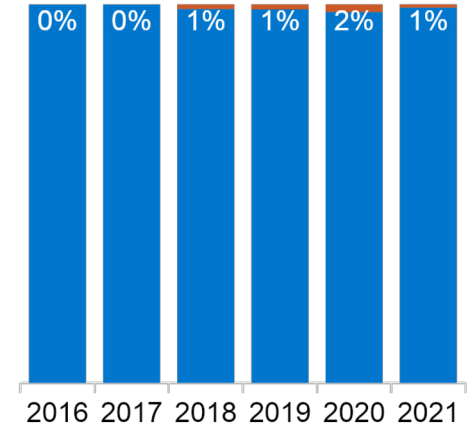
150 MW Wind Farm



+ 50 MW Data Center



+150 MW Data Center

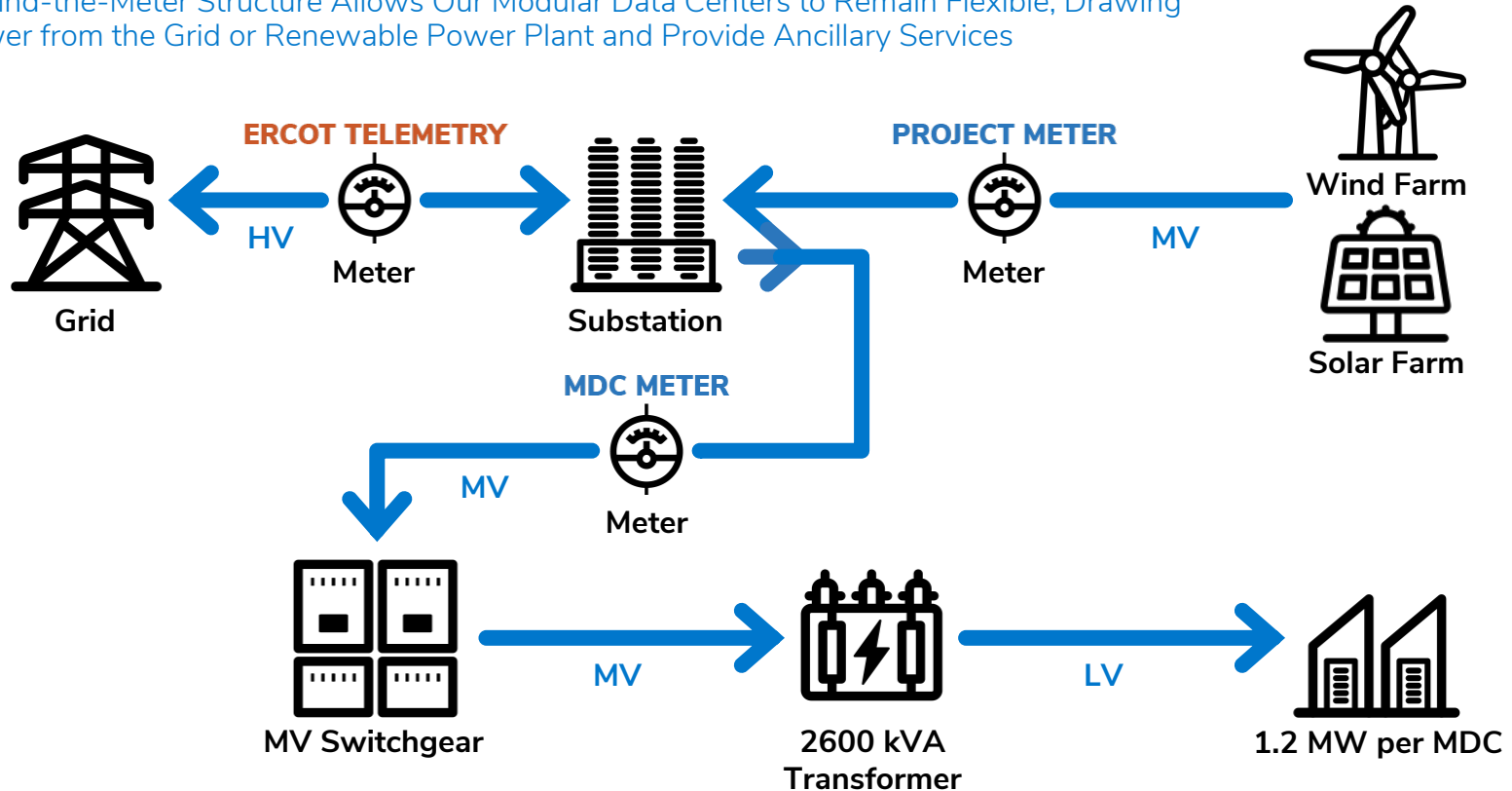


■ Metered Generation ■ Curtailed Energy

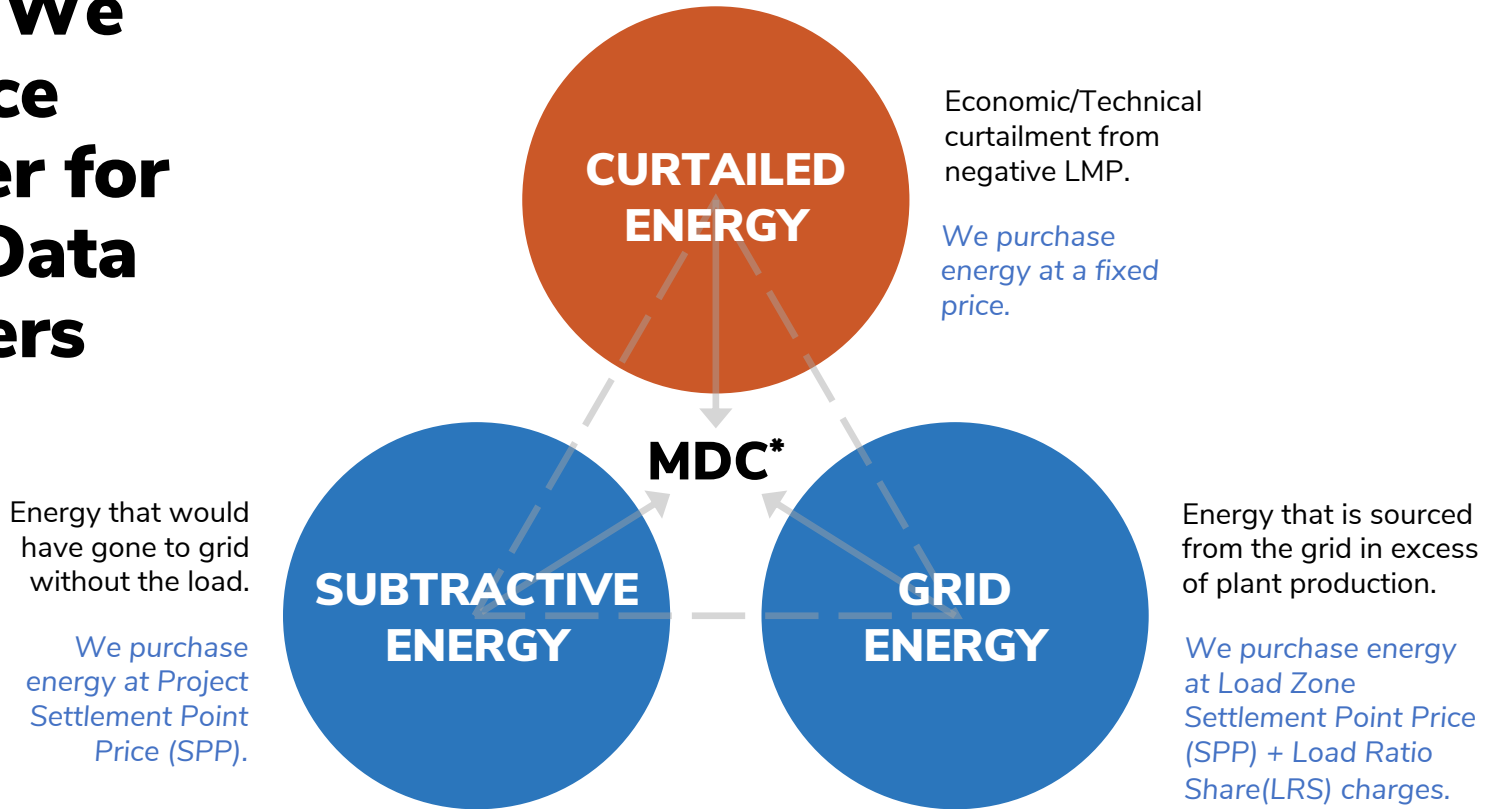


Unique Interconnection Strategy

Behind-the-Meter Structure Allows Our Modular Data Centers to Remain Flexible, Drawing Power from the Grid or Renewable Power Plant and Provide Ancillary Services



How We Source Power for Our Data Centers

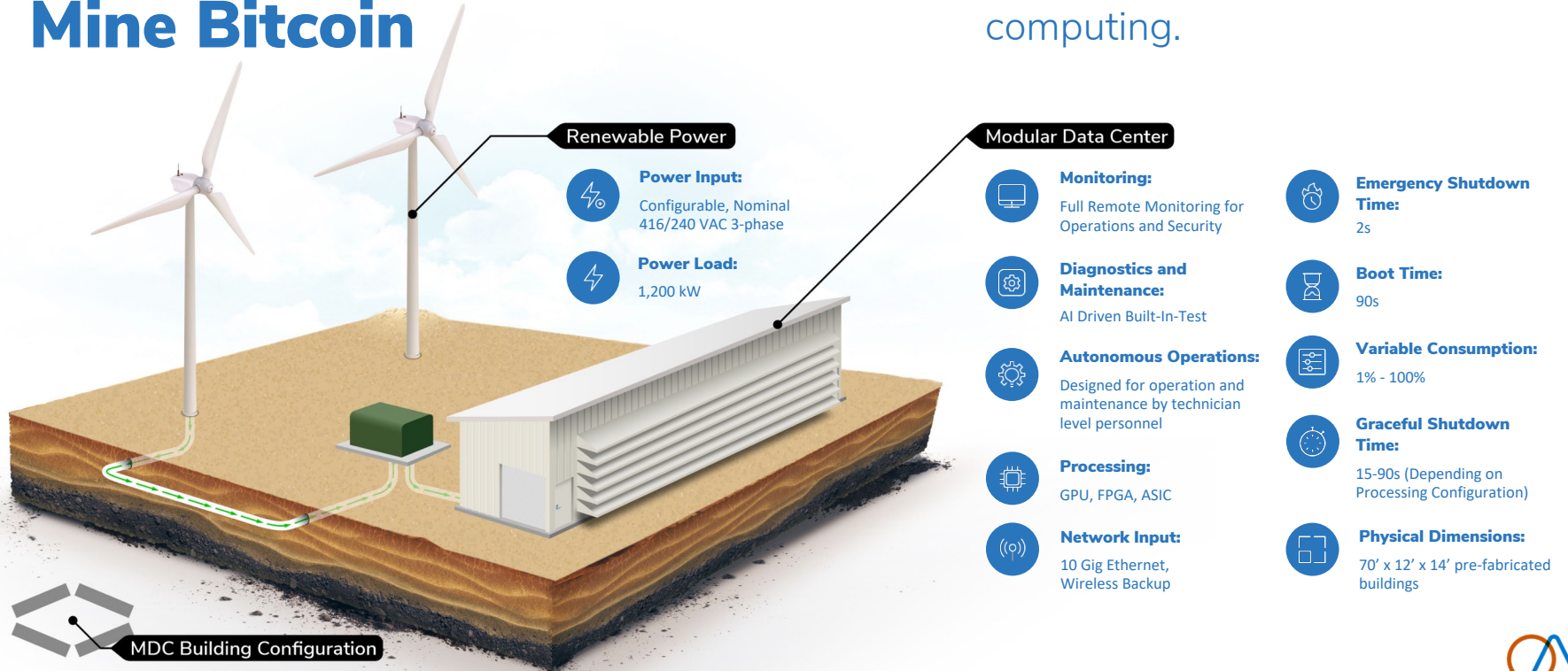


* - Soluna Modular Data Center.



Our Data Centers Can Do More Than Mine Bitcoin

Purpose-built to efficiently convert curtailed renewable energy into high performance computing.



MaestroOS Is Our Force Multiplier

Control

Enhancing equipment lifespan and reducing failures through multiple redundancies.

Complete automation of fans, miners, PDUs, power infrastructure, and network.

Implementing robust and redundant computing systems at both the MDC and site levels to eliminate single points of failure.

Utilizes a cloud-based simulator for pre-deployment testing of software and algorithms.

Operations

Real-time tracking of miners, PDUs, networking equipment, and power infrastructure enables centralized site management and remote diagnostics.

Comprehensive diagnostic and alerting system empowers operators to swiftly detect issues and take immediate action.

Pinpoints the exact location of miners and equipment, facilitating the identification of anomalies quickly.



Power

Extensible architecture allows for quick adaptation of algorithms, facilitating seamless integration with various grid and behind-the-meter configurations.

Capable of accepting multiple grid and power stimuli to feed the algorithm.

Achieves 99% curtailment in less than 60 seconds.

Achieves full power restoration within 8 minutes.



\$120B+ ➔ market opportunity

Our long-term strategy is to dominate a few relatively small niche markets (Bitcoin mining, GPU cloud, etc.) by offering a truly zero-carbon cloud to a variety of end markets that are currently not served by data centers. Then, we will swiftly expand into broader, related markets.

*Sources:
Digital currencies - Annual Bitcoin Network Revenue at \$26,500
Scientific research - National Science Foundation estimates \$1bn hardware discarded per year (assumes 5-year useful life)
AI / ML - Verified Market Research Global AI Software market
Additional compute intensive tasks - Markets and Markets 3D Imaging (\$16bn), Healthcare Cloud Computing (\$39bn), and Oil & Gas Cloud Computing (\$5bn), and ResearchAndMarkets Edge Computing Market (\$4bn)


\$9B+*
Digital currencies


\$5B*
Scientific research

\$50B+*
Artificial intelligence / machine learning

\$60B+*
Additional compute intensive tasks

How Soluna Makes Money

 Current revenue sources

 Future revenue sources

Prop Bitcoin Mining

- Soluna or JV owned Bitcoin mining machines
- *Bitcoin sold daily*
- *Soluna provides Managed Infrastructure Services*

Hosting for Bitcoin Miners

- **Third-party machines hosted at Soluna Data Centers**
- *Soluna provides Managed Infrastructure Services*

High Performance Computing

- GPU Cloud – AI/ML, simulation, visualization, predictive analytics, and deep learning
- *GPU machines could be hosted or owned by Soluna at Projects*

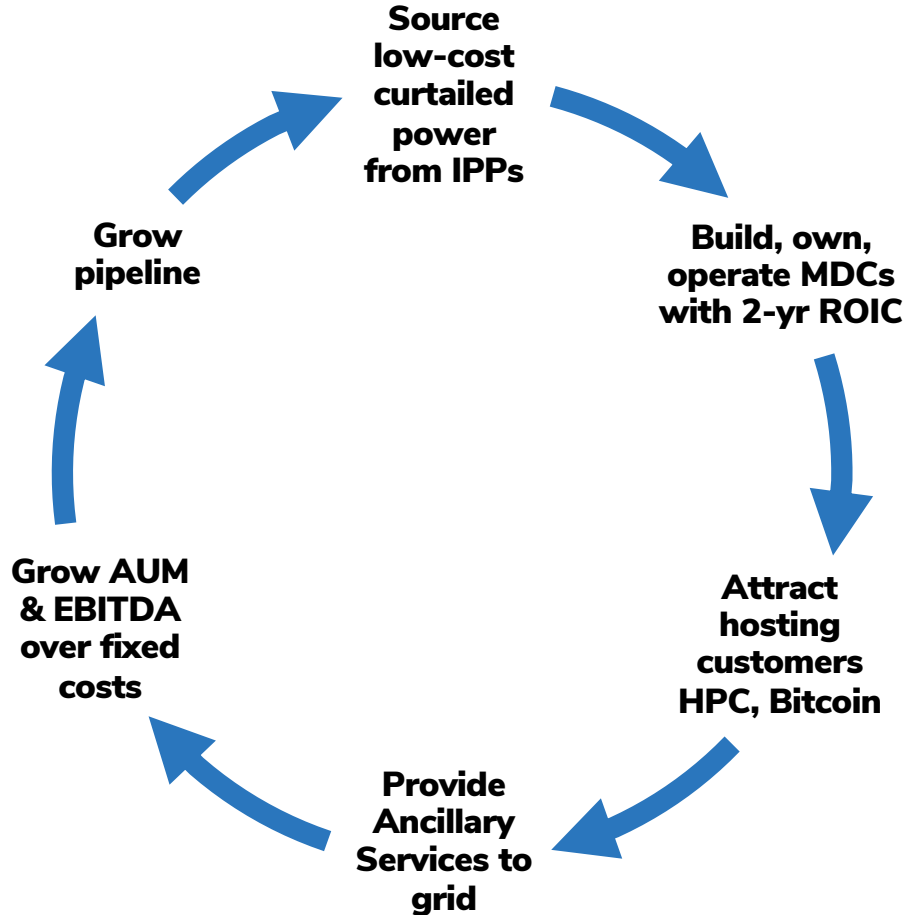
Grid Ancillary Services

- **Compensation to act as behind-the-meter flexible load for the grid**
- *Paid on \$ / MWh basis by Utility or Grid Operator*
- *Launching in Q4 2023*



The Soluna Way

We tackle wasted energy through digital infrastructure. As we optimize the grid and serve our customers, we fuel our growth, funding further expansion to make renewable energy a superpower.





Operational Highlights



Key Operating Metrics¹

TICKER

SLNH / SLNHP

MW MANAGED

75 MW — 291 MW³

INSTALLED HASHRATE

2.6 EH/s²

AVERAGE POWER COST

<\$30 / MWh

CURTAILED ENERGY MONETIZED

4,003 MWh

POWER USAGE EFFECTIVENESS (PUE)

1.01

BITCOIN MINERS DEPLOYED

23,655²

AVERAGE J / TH/s

~30 J / TH/s

(1) All numbers are as of October 31st, 2023.

(2) Includes a mix of Prop Miners and Hosted Miners.

(3) Sophie (25 MW - operational) + Dorothy 1 (50MW - operational) + Dorothy 2 (50 MW – In Development) + Kati (166 MW – In Development)





Project Dorothy

1A

CAPACITY

25 MW

INSTALLED HASHRATE

950 PH/s

POWER USAGE EFFECTIVENESS

1.01

POWER SOURCE

Wind

CURTAILED ENERGY CONSUMED

2,501 MWh

MODEL

Hosting

ENERGIZATION

Operational

AVERAGE ANNUAL LCOE

~\$27 / MWh

PARTNER

Spring Lane Capital





Project Dorothy 1B

CAPACITY

25 MW

INSTALLED HASHRATE

816 PH/s

POWER USAGE EFFECTIVENESS

1.01

POWER SOURCE

Wind

CURTAILED ENERGY CONSUMED

1,502 MWh

MODEL

Prop Mining

ENERGIZATION

Operational

AVERAGE ANNUAL LCOE

~\$27 / MWh

PARTNER

Navitas Global





Project Sophie

CAPACITY

25 MW

INSTALLED HASHRATE

844 PH/s

POWER USAGE EFFECTIVENESS

1.02

POWER SOURCE

Hydro/Grid

MODEL

Hosting

ENERGIZATION

Operational

AVERAGE ANNUAL LCOE

~\$28 / MWh

PARTNER

None





Project Pipeline





Project Dorothy

2

CAPACITY

50 MW

POWER SOURCE

Wind

PARTNER

TBD

MODEL

Hosting & AI

ENERGIZATION

Design and Planning

AVERAGE ANNUAL LCOE

~\$27 / MWh





Project Kati

CAPACITY

166 MW

POWER SOURCE

Wind

PARTNER

TBD

MODEL

Hosting

ENERGIZATION

Development

AVERAGE ANNUAL LCOE

~\$30 / MWh



We Have a Growing Pipeline of Projects

Data Centers & Pipeline

25MW



Sophie

Operating

100MW



Dorothy

50MW
Operating

166MW



Kati

Design &
Development*

2GW+ long-term

pipeline with
large IPPs and
infrastructure
funds in the US
and beyond

Powered by





Financial Results



2023 Corporate Focus On Track

Oct '23

Energize Dorothy

Shift flagship site from construction to operations. Energize 50MW (1A and 1B).

Sign JV Partnership with Navitas Global for Prop Mining. Sell down portion of 1A to Spring Lane Capital.

Fill 1A with 25 MW of strategic hosting partners.

Cash Flow+

Sign 50MW of hosting at Dorothy and Sophie, ramp 25MW of Prop-mining at Dorothy.

Implement cost cutting measures to achieve positive cashflow from operations in second half of 2023.

Expand Flagship

Target the development of up to 50 MW of Dorothy 2 project through project-level partnerships.

Leverage existing power infrastructure investments. Shoot for energizing in Q2 2024.

Grow Pipeline

Sign term sheets for 100MW of additional behind-the-meter projects with Renewable Power Producers.

Advance the projects through the ERCOT process.



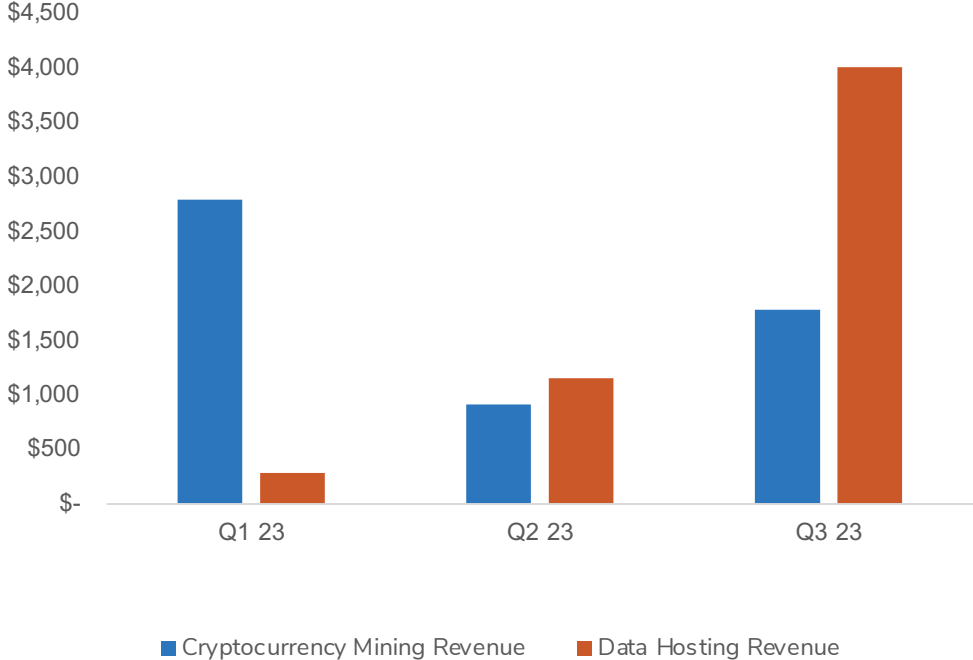
Quarterly Financials YTD 2023

Quarterly Financials	Q1 23	Q2 23	Q3 23	YTD 23
Cryptocurrency Mining Revenue	2,796	915	1,786	5,497
Data Hosting Revenue	286	1,153	4,011	5,451
Total Revenue	3,082	2,068	5,797	10,948
% Change in Revenue		-33%	180%	
Cost of Cryptocurrency Mining Revenue, excl. Depreciation	2,252	1,160	1,040	4,452
Cost of Data Hosting Mining Revenue, excl. Depreciation	272	759	2,150	3,181
Cost of Revenue - Depreciation	625	539	1,200	2,364
Total Cost of Revenue	3,149	2,458	4,390	9,997
Gross Profit	(67)	(390)	1,407	950

Certain prior quarter amounts have been reclassified for consistency in the current quarter presentation.



Quarterly Financials YTD 2023



(Dollars in thousands, except per share)

Condensed Consolidated Balance Sheet

	September 30, 2023	December 31, 2022
Assets		
Current Assets:		
Cash	\$ 5,625	\$ 1,136
Restricted cash	3,428	685
Accounts receivable	2,024	320
Notes receivable	446	219
Prepaid expenses and other current assets	1,593	1,107
Deposits and credits on equipment	975	1,175
Equipment held for sale	248	295
Total Current Assets	14,339	4,937
Restricted cash	1,000	-
Other assets	2,957	1,150
Property, plant and equipment, net	45,938	42,209
Intangible assets, net	29,370	36,432
Operating lease right-of-use assets	483	233
Total Assets	\$ 94,087	\$ 84,961
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 3,005	\$ 3,548
Accrued liabilities	4,447	2,721
Line of credit	-	350
Convertible notes payable	10,796	11,737
Current portion of debt	9,053	10,546
Deferred revenue	-	453
Operating lease liability	215	161
Total Current Liabilities	27,516	29,516
Other liabilities	1,497	203
Long-term debt	1,050	-
Operating lease liability	273	84
Deferred tax liability, net	8,362	8,886
Total Liabilities	38,698	38,689
Stockholders' Equity:		
9.0% Series A Cumulative Perpetual Preferred Stock, par value \$0.001 per share, \$25.00 liquidation preference; authorized 6,040,000; 3,061,245 shares issued and outstanding as of September 30, 2023 and December 31, 2022	3	3
Series B Preferred Stock, par value \$0.0001 per share, authorized 187,500; 62,500 shares issued and outstanding as of September 30, 2023 and December 31, 2022	—	—
Common stock, par value \$0.001 per share, authorized 75,000,000; 1,492,729 shares issued and 1,451,988 shares outstanding as of September 30, 2023 and 788,578 shares issued and 747,837 shares outstanding as of December 31, 2022(1)	1	1
Additional paid-in capital	286,799	277,429
Accumulated deficit	(244,268)	(221,769)
Common stock in treasury, at cost, 40,741 shares at September 30, 2023 and December 31, 2022(1)	(13,798)	(13,798)
Total Soluna Holdings, Inc. Stockholders' Equity	28,737	41,866
Non-Controlling Interest	26,652	4,406
Total Stockholders' Equity	55,389	46,272
Total Liabilities and Stockholders' Equity	\$ 94,087	\$ 84,961

(1) Prior period results have been adjusted to reflect the Reverse Stock Split of the Common Stock at a ratio of 1-for-25 that became effective October 13, 2023.



Condensed Consolidated Statement of Operations

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
(Dollars in thousands, except per share)				
Cryptocurrency mining revenue	\$ 1,786	\$ 5,387	\$ 5,497	\$ 20,696
Data hosting revenue	4,011	985	5,451	3,668
Total revenue	<u>5,797</u>	<u>6,372</u>	<u>10,948</u>	<u>24,364</u>
Operating costs:				
Cost of cryptocurrency mining revenue, exclusive of depreciation	1,040	4,100	4,451	11,092
Cost of data hosting revenue, exclusive of depreciation	2,150	1,078	3,181	3,192
Costs of revenue- depreciation	<u>1,200</u>	<u>6,010</u>	<u>2,364</u>	<u>15,872</u>
Total costs of revenue	4,390	11,188	9,996	30,156
Operating expenses:				
General and administrative expenses, exclusive of depreciation and amortization	2,723	5,686	11,219	15,441
Depreciation and amortization associated with general and administrative expenses	2,379	2,378	7,134	7,127
Total general and administrative expenses	<u>5,102</u>	<u>8,064</u>	<u>18,353</u>	<u>22,568</u>
Impairment on equity investment	-	750	-	750
Impairment on fixed assets	41	28,086	418	28,836
Operating loss	<u>(3,736)</u>	<u>(41,716)</u>	<u>(17,819)</u>	<u>(57,946)</u>
Interest expense	(495)	(1,671)	(2,355)	(7,856)
Loss on debt extinguishment and revaluation, net	(769)	(12,317)	(2,350)	(12,317)
Loss on sale of fixed assets	(373)	(988)	(404)	(2,606)
Other (expense) income, net	(74)	2	(301)	2
Loss before income taxes from continuing operations	(5,447)	(56,690)	(23,229)	(80,723)
Income tax (expense) benefit from continuing operations	(569)	547	524	1,344
Net loss from continuing operations	<u>(6,016)</u>	<u>(56,143)</u>	<u>(22,705)</u>	<u>(79,379)</u>
Income before income taxes from discontinued operations	-	(21)	-	7,681
Income tax benefit from discontinued operations	-	-	-	70
Net income from discontinued operations	<u>-</u>	<u>(21)</u>	<u>-</u>	<u>7,751</u>
Net loss	(6,016)	(56,164)	(22,705)	(71,628)
(Less) Net (income) loss attributable to non-controlling interest	(646)	272	206	272
Net loss attributable to Soluna Holdings, Inc.	<u>\$ (6,662)</u>	<u>\$ (55,892)</u>	<u>\$ (22,499)</u>	<u>\$ (71,356)</u>
Basic and Diluted (loss) earnings per common share:				
Net loss from continuing operations per share (Basic & Diluted) (1)	\$ (4.40)	\$ (95.49)	\$ (20.11)	\$ (146.46)
Net income from discontinued operations per share (Basic & Diluted) (1)	\$ -	\$ (0.04)	\$ -	\$ 13.64
Basic & Diluted loss per share (1)	<u>\$ (4.40)</u>	<u>\$ (95.53)</u>	<u>\$ (20.11)</u>	<u>\$ (132.82)</u>
Weighted average shares outstanding (Basic and Diluted) (1)				
	1,374,364	587,921	1,149,745	568,307

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Non-GAAP Measures

EBITDA

Reconciliation from Net Loss to EBITDA, which excludes impact of:

- 1-Interest
- 2-Taxes
- 3-Depreciation
- 4-Amortization

Adjusted EBITDA

Reconciliation from EBITDA, which excludes impact of:

- 1-Stock based compensation
- 2-Loss on sale of fixed assets
- 3-Impairment on equity investment
- 4-Impairment on fixed assets
- 5-Loss on debt extinguishment and revaluations, net

Reconciliations of Adjusted EBITDA to net income from continuing operations, the most comparable GAAP financial metric, for historical periods are presented in the table below:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
(Dollars in thousands)	2023	2022	2023	2022
Net loss from continuing operations	\$ (6,016)	\$ (56,143)	\$ (22,705)	\$ (79,379)
Interest expense, net	495	1,671	2,355	7,856
Income tax expense (benefit) from continuing operations	569	(547)	(524)	(1,344)
Depreciation and amortization	3,579	8,388	9,498	22,999
EBITDA	(1,373)	(46,631)	(11,376)	(49,868)
Adjustments: Non-cash items				
Stock-based compensation costs	595	890	3,709	2,869
Loss on sale of fixed assets	373	988	404	2,606
Impairment on equity investment	-	750	-	750
Impairment on fixed assets	41	28,086	418	28,836
Loss on debt extinguishment and revaluation, net	769	12,317	2,350	12,317
Adjusted EBITDA	\$ 405	\$ (3,600)	\$ (4,495)	\$ (2,490)



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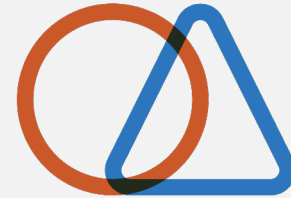
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Appendix

Meet the Soluna Leadership Team



John Belizaire
Chief Executive Officer



David Michaels
Chief Financial Officer



Larbi Loudiyi
VP, Power



Phillip Ng
VP, Corporate Development



Jessica Thomas
Chief Accounting Officer



Michael Toporek
Executive Chairman



Mary O'Reilly
Chief People Officer



Dipul Patel
Chief Technology Officer

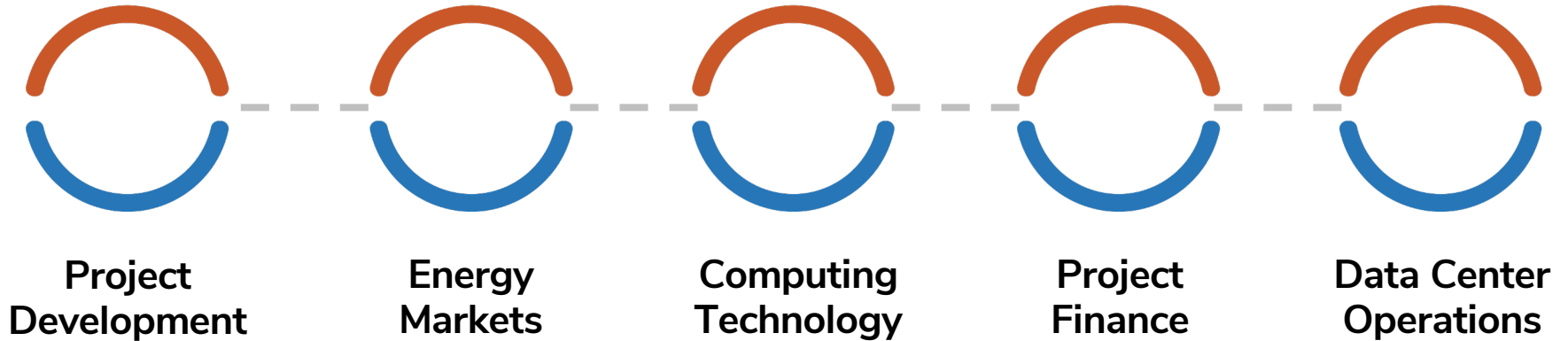


Chase Stowell
BU Controller



Soluna's Expertise

Implementing our modular data centers is a low-risk, low-friction process because of our **five pillars of expertise**.



Our Intellectual Property Pipeline

/ Patent Stage



Patent Summary

- Modular Data Center (Flexible/Modular Architecture)
- Logical Data Center (Mesh Orchestration For Computing)
- System And Method For Managing Power Ramping In A Data Center Or Cloud Resource
- Standardized Commissioning Systematized And Scalable Process For Computing Equipment Diagnostics And Commissioning
- Modular Computer Array (Flexible/Modular Compute Capability)
- Local Co-optimization Of Power Generation Supply With Data Center Energy Demand
- Sensors On Racks To Detect Performance (X-RAY for MDC)



MaestroOS Is Our Optimization Platform

Primary Dashboard

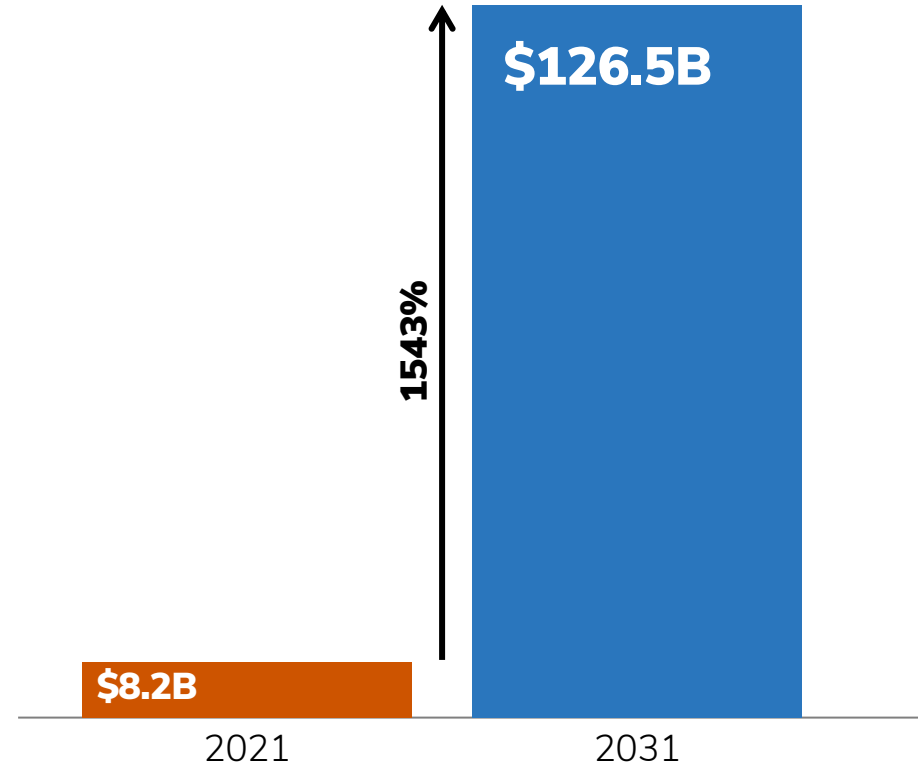


Power Dashboard



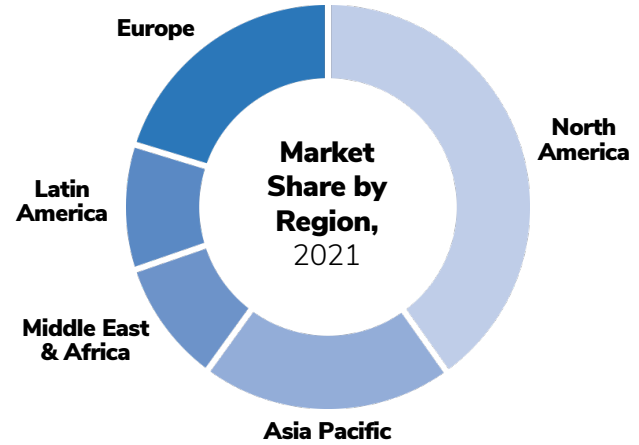
Generative AI Market Growth

The global generative AI market size was valued at **USD 8.2 Billion in 2021**, and is projected to reach **USD 126.5 Billion by 2031**, growing at a **CAGR of 32% from 2022 to 2031**.

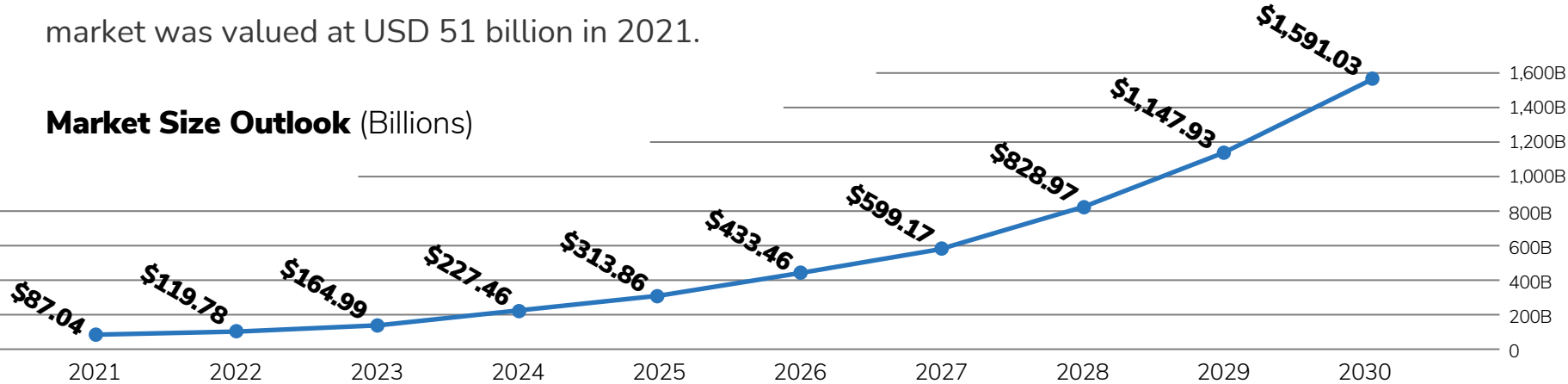


Global AI Market Size

The global artificial intelligence (AI) market size was estimated at **US\$ 119.78 billion in 2022** and it is **expected to hit US\$ 1,591.03 billion by 2030** with a registered **CAGR of 38.1% from 2022 to 2030**. The North America artificial intelligence market was valued at USD 51 billion in 2021.



Market Size Outlook (Billions)



The logo for Soluna, featuring the word "SOLUNA" in a sans-serif font. The letter "O" is orange, and the letter "A" is a blue triangle. The background is a landscape of rolling hills with many wind turbines under a clear sky.

SOLUNA

SELL. EVERY. MEGAWATT

Learn more at
solunacomputing.com