

### Soluna Holdings, Inc.

New Hosting Deal Expands AI Initiative; Monthly Update Shows Continued Performance at Existing Sites

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#### KEY POINTS

- Announces hosting agreement with GPU startup for AI computing.** Soluna announced a co-location agreement with an AI-focused GPU startup that will locate its GPU units in Soluna's existing modular data center at the 25MW Project Sophie in Kentucky.
- New contract is another milestone in the company's growth into AI.** The company's continued move into AI is a step that will both expand the end-market for Soluna's data center solutions and diversify its customer base beyond crypto mining applications. The partnership is Soluna's second AI-related project, which joins the pilot scalable pilot that is being built as part of Project Dorothy 2. In addition, Soluna has retained BitOoda Technologies LLC as a financial advisor to assist with raising capital for the new AI business venture that we expect will house the company's AI-related assets going forward.
- Development work continues on new data center projects.** As part of its monthly update, Soluna announced that the 166MW Project Kati is advancing through the ERCOT planning process and that the company is working to finalize the related commercial contract for the project. At the 50MW Project Dorothy 2, construction and infrastructure equipment tenders are underway which we expect will be completed by the end of 1Q24.
- Operating sites delivering solid operating performance.** In January, the hosted hash rate averaged 1,512 PH/s, in line with the 4Q23 average of 1,543 and the 3Q23 average of 1,513 due to the addition of Project Dorothy ramping up. Project Dorothy 1B produced 44 BTC mined, which follows 140 BTC mined in 4Q23, up significantly from the 66 BTC mined in 2Q23. We expect that 4Q23 results (likely at the end of March) will see a meaningful benefit both from the increased capacity of a full quarter of Project Dorothy 1 as well as the benefits of the higher Bitcoin pricing. However, we note that proprietary mining is only done at Project Dorothy 1B (a 51% owned JV) although some of the Project Sophie hosting agreements include a profit share component.
- Focus on balance sheet and debt reduction.** In January, Soluna announced that \$4.1 million of the principal of convertible debt has been converted to equity since 3Q23, with \$8.1 million of the principal remaining outstanding. The company is now in a much stronger position today than it has been in the past year, which we expect will give it more attractive options as it looks to shape its future capital structure at both the project and corporate levels. At 3Q23, cash stood at \$5.6 million, up from \$1.1 million at YE22. The company was adjusted EBITDA positive in 3Q23, has a track record of developing and financing multiple projects, and has a robust near- and long-term project pipeline.

#### KEY STATISTICS

<b>Ticker:Exchange</b>	SLNH:NASDAQ
<b>Current Price</b>	\$3.21
<b>52-Week Range</b>	\$2.09-\$10.38
<b>Average Volume (30-Day)</b>	54,160
<b>Shares Outstanding (MM)</b>	1.6
<b>Market Cap (\$MM)</b>	\$5.2
<b>Fiscal Year-End</b>	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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