

Soluna Secures New \$25M Growth Capital Line

Future Draws to Repay Convertible Notes,
Fund Datacenter Projects

SOLUNA 

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Business & Financing Trajectory

2021-
2022

BUSINESS ACTIVITIES

- **Prop BTC Focused** (*and challenged*)
- **Pre-Dorothy**
- **Pre-AI**

FINANCING



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- **Convertible Notes**
- **Preferred B**
- **Warrants**
- **Repricing**



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- Dorothy Flagship
- Building toward 2GW Pipeline

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- Project Financing
- Incremental Financing Improvements
- Favorable Amendments
- Warrants & Repricing





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2024+

- Dorothy Expansion
- Soluna Cloud
- Helix
- AI & HPE
- >2GW Pipeline
- Kati, Rosa





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- Incremental Financing Improvements
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2024+

- Dorothy Expansion
- Soluna Cloud
- Helix
- AI & HPE
- >2GW Pipeline
- Kati, Rosa

- Project Financing
- Structural Financing Improvements
- No Warrants & Repricing





**NEW
FINANCING**

**AMENDED
FINANCINGS**

**BENEFITS
TO SOLUNA**

Transaction Structure

Multiple transactions /
amendments combine to
drive substantial benefits
for Soluna





1 Yorkville SEPA
\$25M

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AMENDED FINANCINGS





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\$25M

NEW FINANCING

1 Prepayment of CNs

2 Restructuring of Pref B

AMENDED FINANCINGS

3 Purchase of Soluna Cloud Notes

BENEFITS TO SOLUNA



Transaction Structure

Multiple transactions / amendments combine to drive substantial benefits for Soluna

1 Yorkville SEPA
\$25M

1 Prepayment of CNs

2 Restructuring of Pref B

3 Purchase of Soluna
Cloud Notes

1 Simplifies the SLNH capital structure

2 Strengthens SLNH balance sheet

3 Funds critical Soluna Cloud AI operations & datacenter development

4 Enables deployment of capital into projects to improve equity cashflows



Yorkville SEPA Deal Structure

The \$25 million SEPA agreement with Yorkville Advisors offers flexible terms designed to support Soluna's growth objectives.

- Drawdowns against the \$25 million SEPA may commence once the S-1 filing becomes effective, providing ongoing financial flexibility.
- There are no consents, warrants or other complex financial elements to this financing.



Existing Financing Changes Summary

In order to secure consents required for the Yorkville SEPA and to improve and simplify our capital structure, we reached the following agreements (and/or amendments) with existing financing parties

- All convertible loan noteholders will either convert out or be paid in cash via drawdowns on the SEPA
- The Preferred Series B share conversion price and associated warrants exercise prices will be reset and new warrants issued while several rights are removed
- Soluna Holdings will purchase all \$1.25m of existing Soluna Cloud loan notes from Alpha Capital and associated lenders via drawdowns on the SEPA



Convertible Notes

The current convertible noteholders will convert out or be paid in cash.

- All Convertible Loan Note balances will be retired - either via conversion or settlement in cash from SEPA draws
- We have pre-paid a 20% pre-payment penalty so all settlements will be at face value
- \$750k consent fee paid to waive participation rights and secure consent
- We will acquire all \$1.25m of Soluna Cloud Notes held by Alpha and related entities for \$750k from SEPA draws
- Existing outstanding warrants will remain until exercised or expired but holders will standstill until January 31st or until the Convertible Loan Notes are fully prepaid (the earlier)
- 20% of SEPA draws will be allocated to prepayment of Convertible Loan Notes
- No other noteholder rights or obligations remain once the notes are repaid
- Significant reduction in the complexity of Soluna's capital structure
- Improves financing flexibility in the future



Preferred B

Certain amendments to the Preferred B were made to ...

- Existing shares conversion price reset to \$5/share
- Remaining existing 60,000 warrants repriced to \$0.01/share
- 140,000 new warrants issued at \$0.01/share
- Consent for YA deal secured via issuance of 10% equivalent in shares
- Dividend payment confirmed from original docs
- Several rights such as right of first refusal, participation rights and some consent rights removed
- Holder retains limited consent rights on YA SEPA, other 3rd party financings but not on up to \$50m of additional future YA financing
- Creates a predictable path to conversion and exercise
- Improves financing flexibility in the future



Soluna Cloud / Soluna AL CloudCo Loans

Soluna Holdings will acquire \$1.25 million of face of the senior secured loans at Cloud for \$0.75 million.

- Will purchase \$1.25 of \$1.25m Cloud notes from Alpha Capital and related entities for \$0.75m
- 20% of SEPA draws will be allocated to this and the purchase will occur once the purchase price has been built up from the draws
- Further supports Cloud growth
- Secured investment improves Soluna flexibility to increase future equity ownership or have access earlier to cash from Cloud





Renewable Energy has a wasted energy problem.

To reach its full potential AI needs a sustainable energy source.

RENEWABLE COMPUTING





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