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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____to _____

Commission File Number: 001-40261

Soluna Holdings, Inc.
(Exact name of registrant as specified in its charter)

Nevada	**14-1462255**
State or other jurisdiction of incorporation or organization	**(I.R.S. Employer Identification No.)**

325 Washington Avenue Extension, Albany, New York 12205
(Address of principal executive offices) (Zip Code)

(516) 216-9257
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	SLNH	The Nasdaq Stock Market LLC
9.0% Series A Cumulative Perpetual Preferred Stock, par value $0.001 per share	SLNHP	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new

or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of November 12, 2026, the Registrant had 258,827,640 shares of common stock outstanding.

SOLUNA HOLDINGS, INC. AND SUBSIDIARIES
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Glossary of Abbreviations and Acronyms for Selected References

The following list defines various abbreviations and acronyms used throughout this Quarterly report, including Management's Discussion and Analysis of Financial Condition and Results of Operations, the Condensed Consolidated Financial Statements, and the Condensed Notes to Consolidated Financial Statements.

This glossary covers essential terms related to Bitcoin mining, high-performance computing, Artificial Intelligence ("AI") and related fields, providing valuable context for readers of the Form 10-Q. A number of cross-references to additional information included throughout this Quarterly Report on Form 10-Q are also utilized throughout this report, to assist readers seeking additional information related to a particular subject.

Alternate Base Rate ("ABR"): A benchmark interest rate under a credit agreement, typically the highest of a lender's prime rate, the federal funds rate plus a spread, and a Term SOFR–based rate plus a spread. Loans bearing interest at ABR are referred to as ABR loans.

Artificial Intelligence ("AI"): The simulation of human intelligence processes by machines, especially computer systems. These processes include learning (the acquisition of information and rules for using the information), reasoning (using rules to reach approximate or definite conclusions), and self-correction. AI applications include expert systems, natural language processing, speech recognition, and machine vision.

At the Market Offering Agreement ("ATM Agreement" or "ATM"): An agreement with a sales agent under which the Company may sell shares of its common stock from time to time, at prevailing market prices, through ordinary brokers' transactions on Nasdaq or otherwise, in amounts and at times the Company determines.

Bitcoin: A decentralized digital currency created in 2009 by an unknown person or group of people using the name Satoshi Nakamoto. It operates on a peer-to-peer network, allowing direct transactions without intermediaries. Transactions are verified by network nodes through cryptography and recorded on a publicly distributed ledger called a blockchain.

Bitcoin Halving: An event occurring approximately every four years where the reward for mining new Bitcoin blocks is halved. This reduces the number of new Bitcoins generated by miners, impacting their profitability and potentially affecting Bitcoin's value. Bitcoin Halving is part of Bitcoin's deflationary monetary policy, designed to control supply.

Bitcoin Mining: The process of adding new transactions to the Bitcoin blockchain. It involves solving complex cryptographic puzzles to discover a new block, rewarding miners with transaction fees and newly created Bitcoins. This process secures and verifies transactions on the network.

Co-location: The siting of a data center at or adjacent to a power generation facility, which allows the data center to draw power directly from the facility behind the meter as well as from the grid through the facility's existing interconnection.

Critical IT ("CIT"): The data center load that is consumed or is dedicated to IT equipment such as servers, storage equipment, and communication switches and routers. Power for lighting or cooling the data center is excluded from "critical" power.

Curtailment ("Curtailed" or "Curtailments"): In energy management, the reduction in electrical power supply by power plants to balance the grid or avoid excess generation. In Bitcoin mining or other computing activities, curtailment - pausing computing activities and related energy usage - can occur during peak demand periods or insufficient energy supply.

Data Center Hosting (also referred to as colocation)*:* A service in which the Company provides customers with space, electrical power, network connectivity and operating support for the customers' computing equipment at the Company's data centers. Revenue from these services is presented as data hosting revenue and reported in the Data Center Hosting segment.

Debt Service Coverage Ratio ("DSCR"): A financial covenant metric that measures a borrower's ability to service its debt, calculated as cash flow available for debt service divided by scheduled principal and interest payments for the applicable period. A Forward Contracted DSCR applies the same calculation on a forward-looking basis, giving credit only to revenues under executed customer contracts.

Electric Reliability Council of Texas ("ERCOT"): An independent system operator that manages the flow of electric power to more than 26 million Texas customers, representing about 90 percent of the state's electric load. ERCOT

schedules power on an electric grid that connects more than 46,500 miles of transmission lines and over 680 generation units.

Exahash ("EH/s"): A unit of computational power equal to one quintillion (10^18) hashes per second. EH/s are used to measure the hashrate of the most powerful cryptocurrency mining equipment and the overall computational power of the Bitcoin network.

Fork: A fork refers to a change or divergence in the protocol of a blockchain network. It occurs when the blockchain's code is modified, resulting in two separate chains: one that follows the old rules and one that follows the new rules.

Generative AI: AI that can generate new content, such as text, images, or music, based on its training data. It learns from vast amounts of data to create outputs that mimic original human-generated content, often used in creative and analytical applications.

Gigawatt ("GW"): A unit of power equal to one billion watts. Often used to measure the capacity of large power plants or the power usage of large operations like data centers and industrial complexes.

Graphics Processing Unit ("GPU")- as-a Service: The sale of GPU clusters, ranging from bare metal to turnkey solutions, which may be either owned by the Company, or leased from another company and that are housed within data centers which may be owned by the Company or leased from another company, typically on a "per GPU-hour" basis, either on a reserved or on demand basis.

Grid Demand Response Services or Demand Response Services: Services provided to support the basic services of generating and delivering electricity to the grid. They help maintain power quality, reliability, and efficiency. In the context of Bitcoin mining, the use of mining facilities to provide grid stabilization services is an emerging concept.

Hashrate: The measure of computational power per second used in cryptocurrency mining. It indicates the number of hash function computations per second by a miner's hardware, with higher hashrates implying greater efficiency and network security.

High Performance Computing ("HPC"): The use of high-density computing infrastructure, including graphics processing units and parallel processing techniques, to perform complex computational workloads, including artificial intelligence ("AI") model training and inference, scientific research, simulation and large-scale data analysis.

Internal Rate of Return ("IRR"): The discount rate at which the net present value of all cash flows from an investment equals zero; used in the Company's project-level joint venture agreements to define distribution waterfall thresholds.

Joules: A unit of energy in the International System of Units (SI). One joule is the energy transferred when one watt of power is exerted for one second. In Bitcoin mining, energy efficiency is often measured in joules per hash.

Large Language Models ("LLMs"): Advanced AI models designed to understand, generate, and respond to human language in a way that mimics human-like understanding. They are trained on vast datasets and can perform a variety of language-based tasks, such as translation, summarization, and question-answering.

Machine Learning: A subset of AI involving the creation of algorithms that can learn and make decisions or predictions based on data. It enables computers to improve their performance on a specific task with experience and data, without being explicitly programmed.

Megawatts ("MW"): A unit of power measurement equivalent to one million watts used to measure the electrical power consumption of large operations like data centers and Bitcoin mining rigs.

Megawatt Hour ("MWh"): A unit of energy equal to one megawatt of power sustained for one hour. MWh is the standard unit for pricing and measuring electricity delivered to or from the grid.

Mining Pool: A group of cryptocurrency miners who combine their computational resources over a network to increase their chances of finding a block and receiving rewards. The rewards are then divided among the pool participants, proportional to the amount of hashing power each contributed.

Petahash (“PH/s”): A unit of computational power equal to one quadrillion (10^15) hashes per second. It is used to measure the hashrate of extremely powerful cryptocurrency mining equipment.

Power Purchase Agreement (“PPA”): A long-term contract under which a power generator agrees to sell, and a purchaser agrees to buy, electricity at specified prices and on specified terms. PPAs may also govern the treatment of energy delivered during curtailment intervals.

Power Usage Effectiveness (“PUE”): A ratio that describes how efficiently a computer data center uses energy; specifically, how much energy is used by the computing equipment (in contrast to cooling and other overhead that supports the equipment).

Restricted Stock Award (“RSA”): Shares of common stock granted to employees, officers or directors that are subject to forfeiture until specified vesting conditions, such as continued service, are satisfied.

Renewable Energy Credit (“REC”): A tradable certificate representing the environmental attributes of one megawatt hour of electricity generated from a renewable energy source. RECs are used to demonstrate compliance with renewable portfolio standards and may be sold separately from the underlying electricity.

Secured Overnight Financing Rate (“SOFR”): A broad measure of the cost of borrowing cash overnight collateralized by U.S. Treasury securities, published by the Federal Reserve Bank of New York. Term SOFR is a forward-looking rate for a specified tenor (e.g., one or three months) derived from SOFR futures. Loans bearing interest at Term SOFR are referred to as SOFR loans.

Standby Equity Purchase Agreement (“SEPA”): An agreement under which an investor commits to purchase shares of the Company’s common stock, up to a stated aggregate amount, at the Company’s election from time to time over a specified commitment period, at a price determined by reference to the market price at the time of each advance.

Variable Interest Entity (“VIE”): Under ASC 810, Consolidation, a legal entity in which the equity investors as a group lack the characteristics of a controlling financial interest, or whose equity investment at risk is insufficient to finance its activities without additional subordinated financial support. A VIE is consolidated by its primary beneficiary — the party with both the power to direct the activities that most significantly affect the entity’s economic performance and the obligation to absorb losses or right to receive benefits that could be significant to the entity.

Volume-Weighted Average Price (“VWAP”): The average trading price of a security over a specified period, weighted by the volume traded at each price.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

Soluna Holdings, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
As of September 30, 2026 (Unaudited) and December 31, 2025

(Dollars in thousands, except per share)	September 30, 2026	December 31, 2025
Assets		
Current Assets:		
Cash	$ 109,293	$ 76,423
Restricted cash	5,846	4,500
Accounts receivable, net (allowance for expected credit losses of $0 at September 30, 2026 and $244 at December 31, 2025)	6,803	5,522
Prepaid expenses and other current assets	7,045	2,664
Loan commitment assets	—	3,018
Total Current Assets	128,987	92,127
Restricted cash, noncurrent	7,920	7,920
Other assets	973	978
Deposits and credits on equipment	5,452	1,377
Property, plant and equipment, net	147,358	74,783
Intangible assets, net	1,153	8,261
Operating lease right-of-use assets	4,132	252
Financing lease right-of-use assets	1,752	2,246
Total Assets	$ 297,727	$ 187,944
Liabilities and Equity		
Current Liabilities:		
Accounts payable	$ 4,013	$ 4,859
Accrued liabilities	10,560	13,182
Accrued interest payable	38	303
Contract termination liability	19,348	19,348
Current portion of debt	14,376	8,858
Income tax payable	207	123
Deferred revenue	—	518
Customer deposits- current	2,963	1,913
Operating lease liability	111	65
Financing lease liability	23	20
Other current liabilities	414	—
Total Current Liabilities	52,053	49,189
Other liabilities	917	743
Customer deposits- long-term	1,569	2,533
Long-term debt	2,332	17,899
Asset retirement obligation	3,828	—
Operating lease liability	4,409	187
Financing lease liability	1,763	2,236
Deferred tax liability, net	180	2,911
Total Liabilities	67,051	75,698
Commitments and Contingencies (Note 12)		

Mezzanine Equity:		
Placement agent warrants	1,313	1,313
Equity:		
9.0% Series A Cumulative Perpetual Preferred Stock, par value $0.001 per share, $25.00 liquidation preference; authorized 6,040,000; 4,920,045 shares issued and outstanding as of September 30, 2026 and 4,928,545 shares issued and outstanding as of December 31, 2025	5	5
Series B Preferred Stock, par value $0.0001 per share, 0 shares authorized as of September 30, 2026 and 187,500 shares authorized as of December 31, 2025; 0 shares issued and outstanding as of September 30, 2026 and 62,500 shares issued and outstanding as of December 31, 2025	—	—
Common stock, par value $0.001 per share, authorized 375,000,000; 256,387,010 shares issued and 256,182,519 shares outstanding as of September 30, 2026 and 102,617,684 shares issued and 102,531,089 shares outstanding as of December 31, 2025	256	103
Additional paid-in capital	629,182	435,030
Accumulated deficit	(434,564)	(367,715)
Common stock in treasury, at cost, 204,491 shares at September 30, 2026 and 86,595 shares at December 31, 2025	(14,045)	(13,873)
Total Soluna Holdings, Inc. Stockholders' Equity (Deficit)	180,834	53,550
Non-Controlling Interest	48,529	57,383
Total Equity	229,363	110,933
Total Liabilities, Mezzanine Equity, and Equity	$ 297,727	$ 187,944

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soluna Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)
For the Three and Nine Months Ended September 30, 2026 and 2025

(Dollars in thousands, except per share)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Cryptocurrency mining revenue	$ 1,853	$ 2,769	$ 5,742	$ 8,630
Data hosting revenue	12,449	5,257	31,790	10,795
Wind energy generation revenue	594	—	960	—
Demand response service revenue	251	389	1,109	1,057
High-performance computing service revenue	—	—	—	28
Total revenue	15,147	8,415	39,601	20,510
Operating costs:				
Cost of cryptocurrency mining revenue, exclusive of depreciation	1,396	1,708	4,012	5,428
Cost of data hosting revenue, exclusive of depreciation	7,547	2,660	18,838	5,605
Cost of wind energy generation revenue, exclusive of depreciation	5,020	—	7,273	—
Cost of high-performance computing services	—	—	—	7
Cost of cryptocurrency mining revenue- depreciation	612	1,053	2,659	3,200
Cost of data hosting revenue- depreciation	1,466	665	3,979	1,578
Cost of wind energy generation revenue- depreciation and accretion expense	997	—	2,050	—
Total costs of revenue	17,038	6,086	38,811	15,818
Operating expenses:				
General and administrative expenses, exclusive of depreciation and amortization	24,669	7,708	56,048	19,053
Depreciation and amortization associated with general and administrative expenses	2,403	2,401	7,204	7,207
Total general and administrative expenses	27,072	10,109	63,252	26,260
Impairment on intangibles	—	—	70	—
Impairment on fixed assets	—	—	—	12
Operating loss	(28,963)	(7,780)	(62,532)	(21,580)
Interest expense	(1,274)	(1,212)	(5,922)	(3,246)
(Loss) gain on debt extinguishment and revaluation, net	(5,729)	10,107	(9,926)	10,658
Loss on sale of fixed assets and deposits on equipment	(65)	(780)	(618)	(802)
Fair value adjustment gain (loss)	—	(22,047)	246	(22,165)
Other financing expense	(10)	(4,746)	(579)	(5,203)
Other income (expense), net	205	5	1,798	(280)
Loss before income taxes	(35,836)	(26,453)	(77,533)	(42,618)
Income tax benefit, net	1,507	666	2,678	1,697
Net loss	(34,329)	(25,787)	(74,855)	(40,921)
(Less) Net loss (income) attributable to non-controlling interest	5,655	1,831	8,006	2,027
Net loss attributable to Soluna Holdings, Inc.	$ (28,674)	$ (23,956)	$ (66,849)	$ (38,894)
Basic and Diluted loss per common share:				
Basic & Diluted loss per share	$ (0.16)	$ (1.14)	$ (0.55)	$ (3.29)
Weighted average shares outstanding (Basic and Diluted)	196,323,727	26,983,023	137,544,674	15,683,072

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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Soluna Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Changes in Equity
For the Year Ended December 31, 2025
And the Three and Nine Months Ended September 30, 2026 (Unaudited)

(Dollars in thousands, except per share)

			Preferred Stock			Common Stock				Treasury Stock			
	Mezzanine Equity	Series A Shares	Amount	Series B Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Shares	Amount	Non-Controlling Interest	Total Equity
January 1, 2025	$ —	4,953,545	$ 5	62,500	$ —	10,647,761	$ 11	$ 315,607	$ (314,304)	40,741	$(13,798)	$ 39,841	$ 27,362
Net (loss) income	—	—	—	—	—	—	—	—	(7,556)	—	—	202	(7,354)
Stock-based compensation	—	—	—	—	—	—	—	1,847	—	—	—	—	1,847
Issuance of shares – warrant exercise	—	—	—	—	—	384,721	—	—	—	—	—	—	—
Restricted stock units vested	—	—	—	—	—	3,432	—	—	—	—	—	—	—
Issuance of shares- SEPA draws	—	—	—	—	—	1,512,872	2	2,121	—	—	—	—	2,123
Contribution from Non-Controlling interest	—	—	—	—	—	—	—	—	—	—	—	4,310	4,310
Distribution to Non-Controlling interest	—	—	—	—	—	—	—	—	—	—	—	(1,295)	(1,295)
March 31, 2025	$ —	4,953,545	$ 5	62,500	$ —	12,548,786	$ 13	$ 319,575	$ (321,860)	40,741	$(13,798)	$ 43,058	$ 26,993
Net loss	—	—	—	—	—	—	—	—	(7,382)	—	—	(398)	(7,780)
Stock-based compensation	—	—	—	—	—	—	—	1,942	—	—	—	—	1,942
Issuance of shares – warrant exercise	—	—	—	—	—	59,131	—	—	—	—	—	—	—
Restricted stock units vested	—	—	—	—	—	6,600	—	—	—	—	—	—	—
Issuance of shares-Restricted stock awards	—	—	—	—	—	2,140,683	2	(2)	—	—	—	—	—
Issuance of shares- ATM settlements	—	—	—	—	—	3,340,663	3	2,043	—	—	—	—	2,046
Issuance of shares- Green Cloud issuance	—	—	—	—	—	1,000,000	1	(1)	—	—	—	—	—
Contribution from Non-Controlling interest	—	—	—	—	—	—	—	—	—	—	—	7,542	7,542
Distribution to Non-Controlling interest	—	—	—	—	—	—	—	—	—	—	—	(1,424)	(1,424)
June 30, 2025	$ —	4,953,545	$ 5	62,500	$ —	19,095,863	$ 19	$ 323,557	$ (329,242)	40,741	$(13,798)	$ 48,778	$ 29,319
Net loss	—	—	—	—	—	—	—	—	(23,956)	—	—	(1,831)	(25,787)
Stock-based compensation	—	—	—	—	—	—	—	1,882	—	—	—	—	1,882

Issuance of shares-warrant exercise	—	—	—	—	—	17,254,463	17	28,193	—	—	—	—	28,210
Issuance of shares- July equity financing	—	—	—	—	—	9,090,909	9	5,028	—	—	—	—	5,037
Issuance of shares – Restricted stock awards	—	—	—	—	—	2,751,078	3	(3)	—	—	—	—	—
Issuance of shares- ATM settlements	—	—	—	—	—	14,649,141	15	20,738	—	—	—	—	20,753
Issuance of shares- SEPA draws	—	—	—	—	—	1,487,128	1	4,169	—	—	—	—	4,170
Forfeiture of RSA shares	—	(25,000)	—	—	—	(236,051)	—	—	—	—	—	—	—
Warrant issuance and revaluation	—	—	—	—	—	—	—	2,869	—	—	—	—	2,869
Warrant revaluated to liability	—	—	—	—	—	—	—	(5,034)	—	—	—	—	(5,034)
Contribution from Non-Controlling interest	—	—	—	—	—	—	—	—	—	—	—	12,902	12,902
Distribution to Non-Controlling interest	—	—	—	—	—	—	—	—	—	—	—	(856)	(856)
September 30, 2025	$ —	4,928,545	$ 5	62,500	$ —	64,092,531	$ 64	$ 381,399	$ (353,198)	40,741	$(13,798)	$ 58,993	$ 73,465
Net loss	—	—	—	—	—	—	—	—	(14,517)	—	—	(1,553)	(16,070)
Stock-based compensation	—	—	—	—	—	—	—	4,895	—	—	—	—	4,895
Issuance of shares –warrants exercise	—	—	—	—	—	7,505,223	8	4,670	—	—	—	—	4,678
Restricted stock units vested	—	—	—	—	—	78,210	—	—	—	—	—	—	—
Issuance of shares – Restricted stock awards	—	—	—	—	—	19,392,598	19	(19)	—	—	—	—	—
Issuance of shares- ATM settlements	—	—	—	—	—	5,601,358	6	11,348	—	—	—	—	11,354
Warrant liability revalued to equity	—	—	—	—	—	—	—	4,827	—	—	—	—	4,827
Issuance of shares- December equity offering	1,313	—	—	—	—	5,929,944	6	28,363	—	—	—	—	28,369
Issuance of merger shares	—	—	—	—	—	17,820	—	—	—	—	—	—	—
Warrant redemption	—	—	—	—	—	—	—	(453)	—	—	—	—	(453)
Treasury share conversion	—	—	—	—	—	—	—	—	—	45,854	(75)	—	(75)
Contribution from Non- Controlling interest	—	—	—	—	—	—	—	—	—	—	—	7,480	7,480
Distribution to Non-Controlling interest	—	—	—	—	—	—	—	—	—	—	—	(7,537)	(7,537)

December 31, 2025	$ 1,313	4,928,545	$ 5	62,500	$ —	102,617,684	$ 103	$ 435,030	$ (367,715)	86,595	$(13,873)	$ 57,383	$ 110,933

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	Preferred Stock					Common Stock				Treasury Stock			
	Mezzanine Equity	Series A Shares	Amount	Series B Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Shares	Amount	Non-Controlling Interest	Total Equity
January 1, 2026	$ 1,313	4,928,545	$ 5	62,500	$ —	102,617,684	$ 103	$ 435,030	$ (367,715)	86,595	$ (13,873)	$ 57,383	$ 110,933
Net loss	—	—	—	—	—	—	—	—	(17,466)	—	—	(436)	(17,902)
Stock-based compensation	—	—	—	—	—	—	—	10,222	—	—	—	—	10,222
Issuance of shares – warrant exercise	—	—	—	—	—	8,149,200	8	—	—	—	—	—	8
Issuance of shares- Restricted stock awards	—	—	—	—	—	1,373,000	1	(1)	—	—	—	—	—
Issuance of shares- Series B conversion	—	—	—	(5,310)	—	553,125	1	(1)	—	—	—	—	—
SEPA commitment fee share issuance	—	—	—	—	—	335,976	—	250	—	—	—	—	250
Merger shares	—	—	—	—	—	10,692	—	—	—	—	—	—	—
Forfeiture of Restricted Stock Award shares	—	(8,500)	—	—	—	(1,236,042)	(1)	1	—	—	—	—	—
Warrant adjustment and other	—	—	—	—	—	—	—	682	—	—	—	—	682
Contribution from Non-Controlling interest	—	—	—	—	—	—	—	—	—	—	—	10,918	10,918
Distribution to Non-Controlling interest	—	—	—	—	—	—	—	—	—	—	—	(2,068)	(2,068)
March 31, 2026	$ 1,313	4,920,045	$ 5	57,190	$ —	111,803,635	$ 112	$ 446,183	$ (385,181)	86,595	$ (13,873)	$ 65,797	$ 113,043
Net (loss) income	—	—	—	—	—	—	—	—	(20,709)	—	—	(1,915)	(22,624)
Stock-based compensation	—	—	—	—	—	—	—	9,480	—	—	—	—	9,480
Issuance of shares – warrant exercise	—	—	—	—	—	3,239,951	3	2,542	—	—	—	—	2,545
Restricted stock units vested	—	—	—	—	—	32,366	—	—	—	—	—	—	—
Issuance of shares- restricted stock awards	—	—	—	—	—	20,510,835	21	(21)	—	—	—	—	—
Issuance of shares- ATM settlements	—	—	—	—	—	74,174,213	74	113,391	—	—	—	—	113,465
Issuance of shares- SEPA draws	—	—	—	—	—	10,237,605	10	18,672	—	—	—	—	18,682
Merger shares	—	—	—	—	—	30,888	—	—	—	—	—	—	—

Issuance of shares- Series B conversion	—	—	—	(57,190)	—	5,957,291	6	(6)	—	—	—	—	—
Warrant adjustment and other	—	—	—	—	—	—	—	3,249	—	—	—	—	3,249
Shares withheld for taxes/ purchase of treasury shares	—	—	—	—	—	—	—	—	—	78,710	(131)	—	(131)
Purchase of D1A membership interest	—	—	—	—	—	—	—	(10,993)	—	—	—	(5,507)	(16,500)
Purchase of D1B membership interest	—	—	—	—	—	—	—	(4,845)	—	—	—	(3,921)	(8,766)
Series B dividend payment	—	—	—	—	—	—	—	(2,058)	—	—	—	—	(2,058)
June 30, 2026	$ 1,313	4,920,045	$ 5	—	$ —	225,986,784	$ 226	$ 575,594	$ (405,890)	165,305	$ (14,004)	$ 54,454	$ 210,385
Net (loss) income	—	—	—	—	—	—	—	—	(28,674)	—	—	(5,655)	(34,329)
Stock-based compensation	—	—	—	—	—	—	—	15,879	—	—	—	—	15,879
Restricted stock units vested	—	—	—	—	—	4,686	—	—	—	—	—	—	—
Issuance of shares- ATM settlements	—	—	—	—	—	30,395,540	30	37,709	—	—	—	—	37,739
Shares withheld for taxes/ purchase of treasury shares	—	—	—	—	—	—	—	—	—	39,186	(41)	—	(41)
Distribution to Non-Controlling interest	—	—	—	—	—	—	—	—	—	—	—	(270)	(270)
September 30, 2026	$ 1,313	4,920,045	$ 5	—	$ —	256,387,010	$ 256	$ 629,182	$ (434,564)	204,491	$ (14,045)	$ 48,529	$ 229,363

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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Soluna Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)
For the Nine Months Ended September 30, 2026 and 2025

(Dollars in thousands)	Nine Months Ended September 30, 2026	2025
Operating Activities		
Net loss	$ (74,855)	$ (40,921)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	8,528	4,866
Amortization expense	7,121	7,119
Stock-based compensation	35,581	5,671
Deferred income taxes	(2,731)	(1,716)
Right of first refusal amortization gain	(180)	—
Impairment on fixed assets and intangibles	70	12
Amortization of operating and finance lease asset	247	79
Loss (gain) on debt extinguishment and revaluation, net	9,926	(10,658)
Amortization of deferred financing costs and discount on notes	2,642	561
Fair value adjustments, including SEPA	(246)	22,165
Fair value on placement warrant financing cost	—	146
SEPA commitment cost	250	—
Accretion of asset retirement obligation	243	—
Gain on transformer settlement	(1,409)	—
Loss on sale of fixed assets and deposit on equipment, net	618	802
Changes in operating assets and liabilities:		
Accounts receivable	211	(1,715)
Prepaid expenses and other current assets	(3,092)	(1,741)
Other long-term assets	—	1,608
Accounts payable	(2,605)	2,020
Contract termination liability	—	(667)
Deferred revenue	(1,090)	—
Operating lease liabilities	259	(75)
Other liabilities and customer deposits	1,350	2,173
Accrued liabilities and interest payable	(1,959)	6,792
Net cash used in operating activities	(21,121)	(3,479)
Investing Activities		
Purchases of property, plant, and equipment	(19,480)	(17,008)
Purchases of intangible assets	(84)	(92)
Proceeds from sale and settlement of property, plant, and equipment	1,460	—
Briscoe acquisition purchase, net of cash acquired	(51,415)	—
Deposits on equipment	(9,374)	(1,028)
Net cash used in investing activities	(78,893)	(18,128)
Financing Activities		
Proceeds from common stock warrant exercises	2,553	9,455
Net proceeds from sale of common stock on SEPA	18,928	6,176
Proceeds from notes	24,500	18,434
Net proceeds from sale of common stock on ATM	151,204	22,799
Net proceeds from equity issuance	—	4,364
Payments on notes and deferred financing costs	(40,502)	(6,938)
Payments on Series B dividends	(2,058)	—

Costs on treasury stock	(172)	—
Payments on financing lease liabilities	(170)	—
Purchase of membership interest of Dorothy 1A and Dorothy 1B	(25,266)	—
Contributions from non-controlling interest	10,918	22,078
Distributions to non-controlling interest	(5,705)	(4,753)
Net cash provided by financing activities	134,230	71,615
Increase (decrease) in cash & restricted cash	34,216	50,008
Cash & restricted cash – beginning of period	88,843	10,453
Cash & restricted cash – end of period	$ 123,059	$ 60,461
Supplemental Disclosure of Cash Flow Information		
Interest paid on debt	3,415	1,081
Fair value consideration for Green Cloud issuance of shares	—	810
Construction in progress included in accounts payable and accrued liabilities	2,771	—
Noncash deferred financing cost accrual	—	1,078
Warrant consideration in relation to Generate and Yorkville Warrants	3,249	2,635
Noncash financing cost accrual	—	647
Noncash deferred investing fees for joint venture	1,307	—
Noncash membership distribution accrual	270	—
Warrant adjustment	682	—
Noncash non-controlling interest contributions	—	2,675
Noncash activity right-of-use assets adjustment	430	3,441

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Nature of Operations

Description of Business

Unless the context requires otherwise in these notes to the condensed consolidated financial statements, the terms "SHI," "Soluna," the "Company," "we," "us," and "our" refer to Soluna Holdings, Inc. together with its consolidated subsidiaries.

Soluna Holdings, Inc. is a digital infrastructure company that converts surplus renewable energy into computing resources. The Company develops, owns and operates data centers co-located with wind, solar and hydroelectric power plants to support compute-intensive applications, including Bitcoin mining and high-performance computing ("HPC"), such as artificial intelligence workloads. This approach aims to create a more sustainable grid while providing cost-effective and environmentally friendly computing solutions.

SHI was originally incorporated in the State of New York in 1961 as Mechanical Technology, Incorporated. It reincorporated in the State of Nevada on March 24, 2021 and changed its name to Soluna Holdings, Inc. on November 2, 2021. SHI's common stock trades on The Nasdaq Stock Market LLC ("Nasdaq"), and the Company is headquartered in Albany, New York. On October 29, 2021, Soluna Callisto Holdings, Inc. merged into Soluna Computing, Inc. ("SCI"), a private green data center development company and subsidiary of SHI, and SCI transferred all of its assets to the Company in December 2023.

SHI conducts its business through the following wholly owned subsidiaries:

- Soluna Digital, Inc. ("SDI") owns and operates the Company's Bitcoin hosting and mining data centers.
- Soluna Energy, Inc. ("SEI"), formed on April 2, 2024, owns and manages renewable energy power purchase agreements and land leases through service subsidiaries.
- Soluna HPC, Inc. ("Soluna HPC"), formed in December 2025, develops, owns and operates HPC data center campuses for lease to third-party customers, beginning with Project Kati 2 and Project Dorothy 3.
- Soluna Wind Holdings, Inc. ("Soluna Wind"), formed in January 2026, owns and operates wind-powered energy generation facilities through its subsidiaries.

As of September 30, 2026, the Company had five operating data center projects with approximately 206 MW of capacity:

- Project Sophie, a 25 MW data center in Murray, Kentucky, which commenced operations in 2021.
- Project Dorothy, in Briscoe County, Texas, which comprises Project Dorothy 1 (made up of Dorothy 1A and Dorothy 1B) of 50 MW and Project Dorothy 2 (48 MW). In April and May 2026, the Company acquired the remaining equity interests in Projects Dorothy 1A and 1B, which are now wholly owned. Project Dorothy 2 is financed with Soluna2 SLC Fund II Project Holdco LLC, an investment vehicle of Spring Lane Capital ("SLC"); SDI holds 100% of its Class A and 0% of its Class B membership interests.
- Project Kati 1, an 83 MW data center campus in Willacy County, Texas, financed with SLC beginning July 22, 2025. The Company completed energization of the full 83 MW in September 2026. SDI holds 100% of the Class A and 14% of the Class B membership interests.

On April 1, 2026, the Company acquired 100% of the membership interests in Briscoe Wind Farm, LLC ("Briscoe"), an approximately 150 MW wind generation facility that supplies power to Project Dorothy. See Note 5.

Through Soluna HPC, the Company is developing two HPC campuses. On June 3, 2026, it formed a joint venture with an affiliate of Metrobloks, LLC to develop Project Kati 2 in Willacy County, Texas (Note 16). In August 2026, it acquired approximately 400 acres adjacent to Project Dorothy for Project Dorothy 3. In October 2026, the Company entered into an agreement with affiliates of Applied Digital Corporation to form a joint venture for the first phase of Project Dorothy 3 (Note 18).

2. Basis of Presentation

In the opinion of management, the Company's condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair statement of the results for the periods presented in accordance with United States of America's Generally Accepted Accounting Principles ("U.S. GAAP"). The results of operations for the interim periods presented are not necessarily indicative of results for the full year or for any future period.

Certain information and footnote disclosures normally included in the annual consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 ("the Annual Report").

The information presented in the accompanying condensed consolidated balance sheet as of December 31, 2025 has been derived from the Company's audited consolidated financial statements. All other information has been derived from the Company's unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2026 and September 30, 2025.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its subsidiaries, including the Company's variable interest entities disclosed in Note 16. All intercompany balances and transactions are eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid short-term investments with original maturities of less than three months.

Restricted Cash

Restricted cash relates to cash that is legally restricted as to withdrawal and usage or is being held for a contractual purpose and thus not available to the Company for immediate or general business use. As of September 30, 2026, the Company had restricted cash of approximately $13.8 million, of which $5.8 million was classified as current and $7.9 million was classified as non-current. As of December 31, 2025, the Company had restricted cash of approximately $12.4 million, of which $4.5 million was classified as current and $7.9 million was classified as non-current. Restricted cash consists primarily of customer deposits held for less than 12 months, funds set aside for turbine repairs at Briscoe, and amounts restricted under debt covenants; the non-current balance relates to a collateralized deposit.

Concentration of Credit Risk

Financial instruments that subject the Company to concentrations of credit risk principally consist of cash equivalents and trade accounts receivable. The Company's trade accounts receivable are from data hosting revenue with the Company's customers throughout the year. The Company does not require collateral and has not historically experienced significant credit losses related to receivables from individual customers or groups of customers in any particular industry or geographic area. The Company requires that hosting customers make a prepayment of the next month's estimated expenses or make a security deposit to the Company.

The Company has cash deposits in excess of federally insured limits but does not believe them to be at risk. The Company notes that as of September 30, 2026, the cash deposits in excess of federally insured limits was approximately $122.5 million.

Deposits on equipment

As of September 30, 2026 and December 31, 2025, the Company had approximately $5.5 million and $1.4 million, respectively, in deposits on equipment that had not yet been received by the Company. Once the Company receives such equipment in a subsequent period, the Company will reclassify such balance into Property, Plant and Equipment, net.

Debt Issuance Costs

Debt issuance costs consist of costs incurred in obtaining long-term financing. These costs are classified on the condensed consolidated balance sheet as a direct deduction from the carrying amount of the related debt liability and subsequently amortized as interest expense in the condensed consolidated statement of operations using the effective interest rate method.

The Company evaluates amendments to its debt instruments in accordance with ASC 470-50, *Debt - Modifications and Extinguishments* ("ASC 470") to determine whether the amendment should be accounted for as a modification or an extinguishment. An amendment may be considered modified when the terms of the new debt and original instrument are not "substantially different" (as defined in the debt modification guidance in ASC 470). Amendments that are considered modifications are accounted for prospectively as yield adjustments, based on the revised terms, and lender fees and costs directly incurred with third parties, to the extent material, are recorded as debt discount and amortized to interest expense using the effective interest rate method.

Loan Commitment assets

The Credit Agreement (as defined below) contained a commitment from the lender for an additional tranche of debt under certain conditions. The Company incurred costs and fees to obtain a nonrevolving loan commitment. The accounting for warrants issued and fees paid to lenders in connection with a nonrevolving loan commitment are initially treated as an asset. As discussed in Credit Agreement in Note 10, the Company could draw up to $35.5 million between the first three tranches and can draw an additional $64.5 million upon subsequent approval by the lenders. The Company allocated the warrants issued and fees paid to the lenders in connection the nonrevolving loan commitment between the draws to date of $17.0 million and the remaining $18.5 million between debt issuance costs and loan commitment assets. As discussed in Note 10, the Tranche B loan commitments changed from $18.5 million to $6.0 million. Because the commitment was contractually terminated in part, the Company expensed approximately $2.0 million of unamortized deferred costs attributable to that reduction, which is reflected in loss on extinguishment of debt for the nine months ended September 30, 2026. Following Amendment No. 1, a loan commitment asset of $979 thousand remained, attributable to the $6.0 million undrawn Tranche B commitment, which by its terms was available to be drawn through October 31, 2026, subject to the conditions to borrowing set forth in the Credit Agreement.

In the second quarter of 2026, management concluded that the Company will not draw the remaining $6.0 million Tranche B commitment prior to its expiration on October 31, 2026. This conclusion reflected management's intent not to utilize the commitment, as well as the conditions to borrowing under the Credit Agreement, which require, among other things, that no Default or Event of Default exist on the applicable borrowing date and which, in light of the covenant matters described in Note 10, limit the periods during which the conditions to a Tranche B borrowing could be satisfied prior to expiration.

As a result, the Company determined that the period benefited by the remaining loan commitment asset had ended and expensed the remaining balance of $979 thousand during the nine months ended September 30, 2026. The write-off represents an acceleration of amortization arising from a change in the estimated period benefited by a deferred cost and was accounted for prospectively as a change in accounting estimate in the period of change in accordance with ASC 250-10-45-17 and ASC 835-30-35-2. The charge is recorded within interest expense and is presented in the amortization of deferred financing costs component in the condensed statement of cash flows. No amount was recognized as a loss on extinguishment of debt under ASC 470-50, because the Tranche B commitment had not been contractually terminated, reduced, or modified prior to that determination and remained legally available to the Borrowers through its expiration. No loan commitment asset remained as of September 30, 2026.

Revenue recognition

Refer to the Annual Report in relation to the revenue recognition of data hosting, cryptocurrency mining, and demand service revenue.

In relation to the acquisition of Briscoe in April 2026, a new revenue stream was included for the Company: Wind Energy Generation. Briscoe derives its revenue from the sale of power and renewable energy credits ("RECs"). Briscoe sells power to the wholesale market at its nodal settlement point and revenue is recorded as the underlying energy is generated. At times, Briscoe may be subject to negative pricing at its nodal settlement point when selling electricity within the wholesale market due to severe congestion on the transmission lines within the ERCOT West Hub region. Wind Energy Generation revenue is comprised of three forms of revenue:

Merchant revenue: Through its qualified scheduling entity, Briscoe sells the electricity it exports to the ERCOT grid in the wholesale market at its nodal settlement point. The Company determined that these sales do not contain a lease or a derivative and accounts for them under ASC 606, Revenue from Contracts with Customers ("ASC 606"). The Company views the sale of electricity as a series of distinct goods that are substantially the same and have the same pattern of transfer. The Company satisfies this performance obligation over time as it delivers electricity, using an output method based on megawatt hours delivered. Because the Company's right to consideration corresponds directly with the value of the electricity delivered, the Company applies the practical expedient in ASC 606-10-55-18 and recognizes revenue at the amount it has the right to invoice at the prevailing nodal settlement price. Severe congestion on ERCOT West transmission lines at times produces negative prices at Briscoe's nodal settlement point. The Company records amounts owed during negative-price intervals as a reduction of merchant energy revenue.

REC revenue: Under the renewable portfolio standards in Texas, the Wind Energy System will generate a REC for each megawatt hour of energy delivered which are recorded by the Company at zero cost. The Company's individual REC sales reflect a fixed quantity, fixed price structure over a specified term or are sold at the spot market. The Company views REC products in these arrangements as distinct performance obligations satisfied at a point in time. Since the REC products delivered to the customers are not bundled with the power sold to ERCOT or GSEC but rather are sold at specified points under separate contractual arrangements, these RECs are recognized into revenue when delivered and invoiced under ASC 606.

PPA revenue: Since February 2023, Briscoe has sold electricity under a power purchase agreement (“PPA”) with Golden Spread Electric Cooperative, Inc. (“GSEC”). GSEC resells this electricity to Lighthouse Electric Cooperative, Inc. (“LHEC”), which sells it to the Company’s Project Dorothy data centers under a separate electric service agreement, a structure Texas regulations require. The PPA prices this electricity at the ERCOT settlement point price at Briscoe’s node, floored at zero. During curtailment intervals the price is a fixed $20.70 per MWh. Curtailment intervals are periods when exports are physically curtailed or Briscoe’s nodal price is zero or below. The electricity flows directly from Briscoe to the data centers through Company-owned interconnection facilities. GSEC and LHEC pass the PPA energy pricing through to the Company without obtaining control of the electricity. LHEC charges the Company a fixed fee of $2.35 per MWh for its services, which the Company records in cost of revenue. Accordingly, the Company accounts for these sales as intra-entity transactions. It eliminates Briscoe’s PPA revenue and Project Dorothy’s related purchased power cost in consolidation, so the Company’s consolidated cost of revenue for this electricity reflects Briscoe’s cost of generation and LHEC’s fee. The Company continues to recognize revenue, as principal, for power it provides to its hosting customers.

Change in Presentation

Beginning on April 1, 2026, the Company began recording electricity costs incurred as part of providing performance obligations to our customers within the data hosting revenue financial statements caption and associated electricity costs within the cost of data hosting revenue, exclusive of depreciation financial statement caption on the statement of operations. These electricity costs are subsequently passed on to the customer with no mark-up. $2.6 million, $2.4 million, $1.9 million, and $3.2 million of the comparable costs were incurred for the quarter ending September 30, 2025, June 30, 2025, March 31, 2025, and March 31, 2026, respectively.

Asset retirement obligation

With the acquisition of Briscoe in April 2026, the Company obtained an asset retirement obligation. Briscoe has a contractual obligation to remove its Wind Energy System following the expiration of its operating site leases. The leases require that, upon lease termination, the leased land be restored to an agreed-upon condition, effectively retiring the Wind Energy System. Briscoe is required to record the present value of the estimated obligation as it is incurred relating to the Wind Energy System.

Reclassification

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations or net assets.

3. Accounts Receivable, net

Accounts receivables consist of the following at:

(Dollars in thousands)	September 30, 2026	December 31, 2025
Data hosting	$ 5,170	$ 4,750
Demand response service receivable	557	745
Proprietary mining Coinbase receivable	36	27
Wind energy generation receivable	99	—
Other	941	244
	6,803	5,766
Less: Allowance for expected credit losses	—	(244)
	$ 6,803	$ 5,522

The Company's allowance for expected credit loss was $0 at September 30, 2026 and $244 thousand at December 31, 2025, respectively. The Company wrote off approximately $244 thousand against the Company's allowance during the nine months ended September 30, 2026 after determining the receivable was uncollectible.

Rollforward of Allowance of Expected Credit Losses:

(Dollars in thousands)	January 1, 2026- September 30, 2026	January 1, 2025 – December 31, 2025
Allowance for expected credit losses, beginning of period	$ 244	$ 244
Current period credit provision	—	—
Write offs charged against the allowance	(244)	—
Recoveries collected	—	—
Allowance of expected credit losses, end of period	$ —	$ 244

4. Property, Plant and Equipment, net

Property, plant and equipment consist of the following at:

(Dollars in thousands)	September 30, 2026	December 31, 2025
Land and land improvements	$ 14,771	$ 4,471
Wind energy generation	54,222	—
Buildings and leasehold improvements	54,411	36,464
Computers and related software	14,384	13,542
Machinery and equipment	29,879	19,522
Office furniture and fixtures	87	74
Construction in progress	3,520	16,215
	171,274	90,288
Less: Accumulated depreciation	(23,916)	(15,505)
	$ 147,358	$ 74,783

Depreciation expense was approximately $3.0 million and $1.7 million for the three months ended September 30, 2026 and 2025, respectively. Depreciation expense was approximately $8.5 million and $4.9 million for the nine months ended September 30, 2026 and 2025, respectively.

The Briscoe Project wind generation facility as discussed in Note 5 was measured at fair value as of April 1, 2026. The assigned fair value of approximately $54.2 million is being depreciated on a straight-line basis over fifteen years, the estimated remaining useful life of the facility.

5. Briscoe Asset Acquisition

Overview of the Transaction

On April 1, 2026 (the "Closing Date"), Soluna DV Wind SponsorCo, LLC (the "Tranche C Borrower"), a wholly owned indirect subsidiary of the Company, completed the acquisition of 100% of the issued and outstanding membership interests in Briscoe Wind Farm, LLC ("Briscoe") pursuant to a Membership Interest Purchase Agreement (the "MIPA") with Briscoe Wind Project Holdings I, LLC, JPM Capital Corporation, and Morgan Stanley Wind, LLC (collectively, the "Sellers").

Through the MIPA, the Tranche C Borrower acquired an approximately 150-megawatt nameplate-capacity wind-powered electric generation facility (the "Briscoe Project") located in Briscoe and Floyd Counties, Texas, adjacent to the Company's Dorothy campus in Silverton. The Briscoe Project has been in commercial operation since November 13, 2015, and consists of 81 wind turbines.

Simultaneous with the closing of the MIPA, the Sellers' pre-existing credit facilities, subordinated notes, and tracking account liability encumbering Briscoe were repaid in full from the proceeds received from the Company, and all related liens were released. Accordingly, none of such indebtedness was assumed by the Company.

The Company evaluated the acquisition under Accounting Standards Codification ("ASC") Topic 805, *Business Combinations*. Because substantially all of the fair value of the gross assets acquired is concentrated in the Briscoe Project wind generation facility and its directly associated assets—comprising a single group of similar identifiable assets—the acquisition does not meet the definition of a business under ASC 805-10-55. Accordingly, the transaction has been accounted for as an asset acquisition pursuant to ASC 805-50.

Under asset acquisition accounting, transaction costs directly attributable to the acquisition are capitalized as part of the cost of the acquired assets rather than expensed as incurred. The total acquisition cost of approximately $55.9 million, inclusive of base purchase price of $53.0 million, closing net working capital adjustments of approximately $1.4 million and capitalized out-of-pocket transaction costs of approximately $1.5 million, is allocated to the identifiable assets acquired and liabilities assumed on the basis of their relative fair values at the Closing Date. No goodwill is recognized in an asset acquisition.

Allocation of Acquisition Cost

The total acquisition cost of approximately $55.9 million has been allocated to the identifiable assets acquired and liabilities assumed as of the Closing Date based on their relative fair values, as follows:

(Dollars in thousands)	April 1, 2026
Cash	$ 1,055
Restricted cash, current	3,389
Accounts receivable	1,492
Prepaid expenses and other current assets	2
Other long term assets	20
Operating lease right-of-use assets	3,933
Property, plant and equipment	54,222
Accounts payable	(441)
Accrued liabilities	(219)
Operating lease liability, current	(43)
Operating lease liability, noncurrent	(3,966)
Asset retirement obligation	(3,585)
Net assets acquired	$ 55,859

Acquisition Financing

In connection with the closing, the Company amended its existing Credit Agreement with Generate Lending, LLC to establish a new Tranche C Loan Commitment of $12.5 million (the "Tranche C Loan") to finance the acquisition, with a corresponding reduction of the unfunded Tranche B Loan Commitment by $12.5 million. The unamortized deferred financing costs of approximately $2.0 million associated with the $12.5 million reduction in the Tranche B Loan Commitment were written off upon execution of the amendment and are reflected as loss on extinguishment of debt in the condensed consolidated statements of operations for the nine months ended September 30, 2026.

Debt issuance costs of approximately $977 thousand were deducted from gross proceeds, resulting in net proceeds of approximately $11.5 million. Concurrently, the Company issued to Generate Strategic Credit Master Fund I-B, L.P., an affiliate of the Lender, in a private placement: (i) a pre-funded warrant to purchase up to 700,000 shares of Common Stock; (ii) a common warrant to purchase up to 1,350,000 shares of Common Stock; and (iii) a common warrant to purchase up to 650,000 shares of Common Stock. The warrants were initially measured at fair value at approximately $1.6 million, and are classified as equity instruments; they are not subject to subsequent remeasurement. The fair value of the warrants were recorded as a discount on the Tranche C Loan, and will be amortized over the life of the Tranche C Loan. See Note 10 for details.

6. Intangible Assets, net

Intangible assets consist of the following as of September 30, 2026:

(Dollars in thousands)	Intangible Assets	Impairment	Accumulated Amortization	Total
Strategic pipeline contract	$ 46,885	$ —	$ 46,104	$ 781
Assembled workforce	500	—	492	8
Patents	485	70	51	364
Total	$ 47,870	$ 70	$ 46,647	$ 1,153

Intangible assets consist of the following as of December 31, 2025:

(Dollars in thousands)	Intangible Assets	Accumulated Amortization	Total
Strategic pipeline contract	$ 46,885	$ 39,071	$ 7,814
Assembled workforce	500	416	84
Patents	400	37	363
Total	$ 47,785	$ 39,524	$ 8,261

Amortization expense for the three months ended September 30, 2026 and 2025 was approximately $2.3 million and $2.4 million, respectively. Amortization expense for the nine months ended September 30, 2026 and 2025 was approximately $7.1 million and $7.1 million, respectively.

The strategic pipeline contract relates to supply of a critical input to our digital mining and hosting business. The Company has analyzed this strategic pipeline contract similar to a permit for future benefit. The strategic pipeline contract relates to potential renewable energy datacenters that fit in the alignment of the Company structure to expand operations of the Company's new focus in their business.

The Company expects to record amortization expense of intangible assets over the next five years and thereafter as follows:

(Dollars in thousands) Year	2026
2026 (remainder of the year)	$ 794
2027	20
2028	20
2029	20
2030	20
Thereafter	279
Total	$ 1,153

7. Accrued Liabilities

Accrued liabilities consist of the following at:

(Dollars in thousands)	September 30, 2026	December 31, 2025
Salaries, wages, and related expenses	$ 2,223	$ 2,204
Liability to shareholders for previous acquisition	363	363
Legal, audit, tax, and professional fees	1,951	1,786
Sales tax accrual	53	146
Real estate taxes accrual	1,197	453
Hosting and utility fees	992	1,541
Construction and facility fees	3,504	2,252
Financing fee accrual	—	773
Membership distribution accrual	270	3,637
Other	7	27
Total	$ 10,560	$ 13,182

Contract termination liability

In June 2024, Soluna AL Cloudco, LLC (“CloudCo”), a subsidiary of Soluna Cloud, entered into an agreement (the “HPE Agreement”) with Hewlett Packard Enterprise Company (“HPE”), with an initial pre-payment of $10.3 million and a total commitment of $34 million over a 36-month period. On March 24, 2025, CloudCo notified HPE of its termination of the HPE Agreement and, on March 26, 2025, HPE notified CloudCo of its termination of the HPE Agreement for cause, effective immediately, due to CloudCo’s material breach of its payment obligations that remained uncured for more than thirty (30) days. The HPE Agreement provided the Company access to datacenter and cloud services for AI and supercomputing applications utilizing NVIDIA H100 GPUs. In accordance with the terms of the HPE Agreement, CloudCo was required to pay all of the unpaid fees that were payable over the entire term of the HPE Agreement. In accordance with the terms of the HPE Agreement, upon a termination for cause by HPE, CloudCo must pay HPE the remaining payment stream under the term of the HPE Agreement, including all upfront payments and monthly charges, plus any fees incurred for the terminated Services (as defined in the HPE Agreement). As of September 30, 2026, the outstanding contract liability is approximately $19.3 million. CloudCo has not made any additional payments under the HPE Agreement since CloudCo notified HPE of its termination of the HPE Agreement.

8. Asset Retirement Obligation

Briscoe has a contractual obligation to remove the wind energy facility and restore leased land upon expiration of its multiple land lease agreements with third-party landowners for the turbine installation sites (the "Site Leases"). The asset retirement obligation was measured at the present value of estimated future removal and restoration costs as of the Closing Date of April 1, 2026 and was recorded at $3.6 million. The measurement reflects management's current estimate of removal and restoration cost; an independent decommissioning study was completed. The obligation will accrete to its estimated future value over the remaining life of the wind facility. For the three and nine months ended September 30, 2026, the accretion expense of $164 thousand and $243 thousand was included in cost of wind energy generation revenue-depreciation and accretion expense on the condensed consolidated statements of operations.

The following is a summary of total changes in the Company's asset retirement obligation liability that was acquired on April 1, 2026 in relation to the Briscoe acquisition for the three and nine months ended September 30, 2026:

(Dollars in thousands)		**April 1, 2026-September 30, 2026**
Balance at beginning of period	$	3,585
Accretion expense		243
Balance at end of period	$	3,828

Asset retirement obligation costs may increase or decrease significantly in the future as a result of changes in regulations, changes in engineering designs and technology, permit modifications or updates, changes to the Briscoe Project, inflation or other factors as actual reclamation spending occurs. Asset retirement obligation activities and expenditures generally are made over an extended period of time commencing near the end of the wind energy system life; however, certain reclamation activities may be accelerated if legally required or if determined to be economically beneficial.

9. Income Taxes

During the three and nine months ended September 30, 2026, the Company’s effective income tax rate was 4.2% and 3.5%, respectively, and for the three and nine months ended September 30, 2025, the Company's effective income tax rate was 2.5% and 4.0%, respectively. The projected annual effective tax rate is less than the Federal statutory rate of 21%, primarily due to the change in the valuation allowance, as well as changes to estimated taxable income for 2026 and permanent differences. For the three months ended September 30, 2026 and 2025, there was a deferred income tax benefit of $1.6 million and $666 thousand, respectively, offset with current tax expense for the three months ended September 30, 2026 and 2025 of approximately $46 thousand and $0 thousand, respectively. For the nine months ended September 30, 2026 and 2025, there was a deferred income tax benefit of approximately $2.7 million and $1.7 million, respectively, offset by a $54 thousand and $9 thousand current tax expense for the nine months ended September 30, 2026 and 2025, respectively.

In connection with the strategic contract pipeline acquired in the acquisition as further discussed in Note 6, ASC 740-10-25-51 requires the recognition of a deferred tax impact of acquiring an asset in a transaction that is not a business combination when the amount paid exceeds the tax basis on the acquisition date. As such, the Company is required to adjust the value of the strategic contract pipeline by approximately $10.9 million at inception date, which was recorded as a deferred tax liability, and this amount will be amortized over the life of the asset.

The Company provides for recognition of deferred tax assets if the realization of such assets is more likely than not to occur in accordance with accounting standards that address income taxes. Significant management judgment is required in determining the period in which the reversal of a valuation allowance should occur. The Company has considered all available evidence, both positive and negative, such as historical levels of income and future forecasts of taxable income amongst other items, in determining its valuation allowance. In addition, the Company’s assessment requires us to schedule future taxable income in accordance with accounting standards that address income taxes to assess the appropriateness of a valuation allowance which further requires the exercise of significant management judgment.

The Company evaluates its tax positions in accordance with the guidance for accounting for uncertainty in income taxes. Tax benefits are recognized only when it is more likely than not that the position will be sustained upon examination by the relevant taxing authority based on the technical merits of the position. As of September 30, 2026, the Company had no material uncertain tax positions requiring recognition or disclosure in the condensed consolidated financial statements. The Company did not record any interest or penalties related to uncertain tax positions during the three and nine months ended September 30, 2026.

The Company believes that the accounting estimate for the valuation of deferred tax assets is a critical accounting estimate because judgment is required in assessing the likely future tax consequences of events that have been recognized in our financial statements or tax returns. The Company based the estimate of deferred tax assets and liabilities on current tax laws and rates and, in certain cases, business plans and other expectations about future outcomes. In the event that actual results differ from these estimates, or the Company adjusts these estimates in future periods, the Company may need to adjust the recorded valuation allowance, which could materially impact our financial position and results of operations. The Company has a full valuation allowance for the deferred tax assets of $58.0 million on September 30, 2026 and $41.8 million on December 31, 2025, respectively. We will continue to evaluate the ability to realize our deferred tax assets and related valuation allowance on a quarterly basis.

10. Debt

The following table represents total debt outstanding by agreement as of September 30, 2026:

(Dollars in thousands):	Current portion of debt	Long term debt	Total
Generate loan	$ 9,424	$ —	$ 9,424
Green Cloud Note	4,589	—	4,589
Galaxy loan	363	2,332	2,695
Equipment/Land loan	—	—	—
Total Debt	$ 14,376	$ 2,332	$ 16,708

The following table represents total debt outstanding by agreement as of December 31, 2025:

(Dollars in thousands):	Current portion of debt	Long term debt	Total
Generate loan	$ 3,713	$ 10,213	$ 13,926
Green Cloud Note	4,361	3,112	7,473
Galaxy loan	784	3,499	4,283
Equipment/Land loan	—	1,075	1,075
Total Debt	$ 8,858	$ 17,899	$ 26,757

The Company notes as of September 30, 2026, there is approximately $16.7 million in debt outstanding, made up of approximately $19.4 million in principal outstanding less approximately $2.7 million in debt issuance and discounts costs remaining to be amortized over the life of the loans. The following table represents the future minimum principal payments, which excludes potential cash sweeps, due on debt as of September 30, 2026:

(Dollars in thousands)

Year	**2026**
2026 (remainder of the year)	$ 2,029
2027	5,169
2028	2,013
2029	2,013
2030	7,091
Thereafter	1,112
Total	$ 19,427

Amounts reflect contractual maturities. As described above, the entire outstanding balance under the Generate Credit Agreement has been classified as current as of September 30, 2026 notwithstanding its contractual amortization schedule.

Generate Credit Agreement

(Dollars in thousands)	Maturity Date	Interest Rate	January 1, 2026- September 30, 2026	September 12, 2025 – December 31, 2025
Tranche A-1	September 12, 2030 *	13.65 %	$ 4,776	$ 5,500
Tranche A-3	September 12, 2030 *	13.65 %	11,414	11,500
Tranche C	September 12, 2030 *	11.68 %	12,500	—
Total drawn loan			28,690	17,000
Less: principal payments			(16,971)	(810)
Less: debt discount and issuance costs			(2,295)	(2,264)
Total outstanding note			9,424	13,926
(Less) Current note outstanding			(9,424)	(3,713)
Long-term note outstanding			$ —	$ 10,213

- As of September 30, 2026, the Company has prepaid the Tranche A-1 and A-3 loans in full. The principal loan balance for the Tranche C Loan was outstanding as of September 30, 2026, however was subsequently paid off in full on October 22, 2026.

On September 12, 2025, the Company caused its subsidiaries Soluna DVSL ComputeCo, LLC (“Dorothy 1A Borrower”), Soluna DVSL II ComputeCo, LLC (“Dorothy 2 Borrower”), and Soluna KK I ComputeCo, LLC (“Tranche B Borrower” and collectively with Dorothy 1A Borrower and Dorothy 2 Borrower, the “Borrowers”) to enter into a Credit and Guaranty Agreement (the “Credit Agreement”) with Generate Lending, LLC, as administrative agent and collateral agent (the “Agent”), and Generate Strategic Credit Master Fund I-A, L.P. (the “Lender”). The Credit Agreement provides for senior secured term loan commitments in an aggregate principal amount of up to $35.5 million, comprised of (i) Tranche A-1 ($5.5 million), (ii) Tranche A-3 ($11.5 million), and (iii) Tranche B ($18.5 million). In addition, the Credit Agreement permits the Borrowers to request one or more Additional Tranche Loan Commitments (as defined in the Credit Agreement), in the aggregate amount of up to $64.5 million, subject to the approval of the Lender and the Agent, for project-level financing of eligible projects. On September 12, 2025, the Borrowers borrowed approximately $12.6 million under the Credit Agreement, comprised of Tranche A-1 loans and Tranche A-3 loans, and on December 22, 2025, an

additional $4.4 million was borrowed on the Tranche A-3 loan. The maturity date for the Tranche A and Tranche B loans is the earlier of (i) payment of outstanding principal, interest, and fees and (ii) September 12, 2030. Additional Tranche Loan Commitments will have maturity dates as set forth in their respective amendments to the Credit Agreement. For the three and nine months ended September 30, 2026, interest expense in relation to Tranche A-1, A-3, and B was approximately $312 thousand and approximately $1.8 million, respectively. For the three and nine months ended September 30, 2025, interest expense in relation to Tranche A-1, A-3, and B was approximately $168 thousand for both periods.

Proceeds from the Credit Agreement were used to finance, refinance, develop and construct the Company's Dorothy 1A, Dorothy 2 and Kati data center projects, fund a debt service reserve account, and pay fees and expenses. The loans bore interest at a variable rate based on either ABR or Term SOFR, as set forth in the Credit Agreement. The applicable interest rate for SOFR loans is equal to Term SOFR plus a margin of 10.0% per annum, and for ABR loans is equal to the ABR plus a margin of 9.0% per annum. The Credit Agreement provides for a SOFR rate floor of 3.50% per annum. The Borrowers are required to pay a commitment fee of 1.00% per annum on undrawn amounts of the Tranche B Loan Commitments and any Additional Tranche Loan Commitments. During the continuance of an event of default, a default rate applies equal to the otherwise applicable rate plus 2.0% per annum.

The loans were subject to scheduled amortization, fees, and prepayment premiums. The Credit Agreement also contained a mandatory prepayment provision, or "cash sweep," requiring a percentage of free cash flow, as defined in the Credit Agreement, to be applied to principal reduction on a periodic basis.

As of September 30, 2026, the entire outstanding principal balance is classified as current as a result of the covenant matters described under "Balance sheet classification" below. In periods in which covenant-related classification does not apply — including as of December 31, 2025 — the outstanding balance is classified between current and noncurrent liabilities based on scheduled amortization and management's estimate of cash sweep prepayments expected to be applied during the following twelve months. That estimate relies on management's internal cash flow forecast, which incorporates assumptions regarding future operating performance, capital expenditures, and working capital needs that are inherently uncertain; actual amounts prepaid under the cash sweep may differ materially from the amounts classified as current.

The obligations are guaranteed by certain Company subsidiaries and secured by first-priority liens on substantially all assets of the Borrowers and guarantors, including pledges of equity interests, security interests in deposit and other collateral accounts (subject to control agreements), and mortgages or deeds of trust on the project sites.

On April 1, 2026, in connection with the Briscoe Project Acquisition as discussed in Note 5, the Company caused the Existing Borrowers and the Tranche C Borrower (collectively, the "Borrowers") to enter into Consent and Amendment No. 1 to the Credit Agreement and Amendment No. 1 to the Pledge Agreement (the "Amendment", and the Credit Agreement, as amended by the Amendment, the "Amended Credit Agreement") with the Agent and the Lender. The Amendment became effective on April 1, 2026 (the "First Amendment Effective Date").

Under the Amended Credit Agreement: (i) Tranche A-1 and Tranche A-3 loan commitments finance the Dorothy 1A Project and the Dorothy 2 Project, respectively; and (ii) Tranche B loan commitments finance the development and construction of the Kati Project.

Among other changes, the Amendment: (i) adds the Tranche C Borrower as a new borrower and guarantor; (ii) establishes Tranche C Loan commitments of $12.5 million to finance the Briscoe Project Acquisition and adjusts the Tranche B loan commitments to be changed from $18.5 million to $6.0 million ; (iii) adds the Briscoe Project Company as a guarantor following the acquisition; and (iv) includes the Briscoe Project as a new project under the Amended Credit Agreement.

The unamortized deferred financing costs of approximately $2.0 million associated with the $12.5 million reduction in the Tranche B Loan Commitment were written off upon execution of the amendment and are reflected as loss on extinguishment of debt in the condensed consolidated statements of operations for the nine months ended September 30, 2026.

As of September 30, 2026, $6.0 million of the Tranche B commitment under the Credit Agreement remained undrawn and, by its terms, available through October 31, 2026. During the second quarter of 2026, management concluded that the Company does not intend to draw the remaining Tranche B commitment. See discussion in Note 2- *Loan Commitment Assets* for further details. Accordingly, the Company wrote off the remaining $979 thousand loan commitment asset associated with the undrawn commitment, which is reflected in interest expense for the nine months ended September 30, 2026.

The Tranche C Loan bears interest at a variable rate based on either ABR or Term SOFR, with margins of 8.0% per annum for SOFR loans and 7.0% per annum for ABR loans. They are also subject to scheduled amortization and mandatory cash sweep prepayments. For the three and nine months ended September 30, 2026, interest expense in relation to the Tranche C Loan was approximately $539 thousand and $1.1 million.

Financial covenants

The Credit Agreement contains customary representations and warranties, affirmative and negative covenants, and events of default for financings of this type. Events of default under the Credit Agreement include, among other things, non-payment of principal, interest or fees, inaccuracy of representations and warranties, breach of covenants, cross-default to certain material indebtedness, bankruptcy and insolvency, and change of control. Upon the occurrence and during the continuance of an event of default, the lenders may declare all outstanding principal and accrued but unpaid interest under the Credit Agreement immediately due and payable and may exercise the other rights and remedies provided under the Credit Agreement and related loan documents. Negative covenants in the Credit Agreement include, among other things, restrictions on the Borrowers and guarantors with respect to incurring additional indebtedness, creating liens on assets, selling assets or making fundamental changes, making restricted payments, entering into affiliate transactions, and using loan proceeds for unauthorized purposes. The Credit Agreement also restricts investments, capital expenditures, and speculative transactions, and requires that all deposit and securities accounts be subject to control agreements. Financial covenants require (i) a minimum trailing Debt Service Coverage Ratio ("DSCR") of 1.60:1.00 and (ii) a minimum Forward Contracted DSCR measured with respect to the applicable projects in the aggregate, of not less than 1.20:1.00. The Forward Contracted DSCR is a forward-looking measure that gives credit only to revenues under executed customer contracts. Revenues that management expects to realize but that are not yet contracted, including merchant revenues, are assumed to be zero for purposes of the calculation. A failure to satisfy the Forward Contracted DSCR that remains unremedied for five days constitutes an event of default under the Credit Agreement, following which the lenders may declare all outstanding principal and accrued interest immediately due and payable. The facility also includes customary mandatory prepayment provisions.

The Credit Agreement permits the Borrowers to cure a financial covenant failure retroactively through a specified equity contribution — a cash equity infusion received within ten business days following delivery of the quarterly compliance certificate, which is then included in the applicable covenant calculations. The Borrowers may make no more than two specified equity contributions in any fiscal year and no more than five over the term of the loans, and no borrowing may be requested or made during the period between a financial covenant event of default and its cure.

Covenant holidays and waivers

On August 6, 2026, the Borrowers and the Administrative Agent, on behalf of the lenders, entered into a Limited Waiver, Consent, and Amendment No. 3 to the Credit Agreement ("Amendment No. 3"). Amendment No. 3 amended the financial covenants in the Credit Agreement to provide that neither the DSCR nor the Forward Contracted DSCR was required to be tested for the June 30, 2026 measurement date. The effectiveness of Amendment No. 3 was conditioned upon the prepayment in full of the Tranche A-1 and Tranche A-3 Loans described below, which occurred on August 10, 2026. Amendment No. 3 also waived certain administrative matters, including the timing of delivery of the April 2026 monthly operating statement, the timing of funding of the maintenance reserve account and the timing of termination of certain legacy bank accounts, and extended the deadline to satisfy certain real estate post-closing obligations relating to the Briscoe Wind Farm to October 15, 2026. As a result of Amendment No. 3 and the prepayment, no default or event of default has occurred or is continuing under the Amended Credit Agreement, and no cross-default or cross-acceleration provision under the Company's other financing arrangements has been triggered.

As amended, the Credit Agreement requires (i) a DSCR of not less than 1.60:1.00, measured quarterly with respect to completed projects in the aggregate, excluding the Dorothy 1A and Dorothy 2 projects following the prepayment, with the Briscoe project first subject to testing on the quarterly measurement date of September 30, 2026; and (ii) a Forward Contracted DSCR of not less than 1.20:1.00, measured quarterly, from which the Briscoe project is excluded and, following the prepayment, the Dorothy 1A and Dorothy 2 projects are also excluded. Notwithstanding the prepayment, the Dorothy 1A Borrower and the Dorothy 2 Borrower remain parties to the Credit Agreement, and the pledges and security interests granted with respect to those borrowers will not be released until the termination of the Credit Agreement.

Prepayment of Tranche A-1 and Tranche A-3 Loans

On August 10, 2026, Soluna DVSL ComputeCo, LLC and Soluna DVSL II ComputeCo, LLC prepaid in full the Tranche A-1 Loans and Tranche A-3 Loans, respectively, in the aggregate total prepayment amount of approximately $19.1 million,

inclusive of accrued and unpaid interest, the applicable prepayment premium of $3.9 million, $15.2 million of the outstanding principal balance and all other amounts then due under the Amended Credit Agreement. The Company recorded a loss on extinguishment on debt of approximately $5.7 million in relation to remaining amortization of debt discount and deferred financing costs, in addition to the prepayment premium. Following the prepayment, the Forward Contracted DSCR requirement no longer applies to these borrowers; the related pledges and security interests will not be released until the Debt Termination Date under the Amended Credit Agreement.

Balance sheet classification

Because the Forward Contracted DSCR gives no credit to uncontracted revenues, the Company has concluded it is probable the Borrowers will not satisfy the covenant at measurement dates within the twelve months following September 30, 2026 absent additional contracted revenues or an amendment to the Amended Credit Agreement, and the Amendment No. 3 does not extend the Company's covenant relief for more than one year from the balance sheet date. Accordingly, the Company classified the entire $11.7 million of gross principal outstanding under the Amended Credit Agreement, net of related unamortized deferred financing costs and debt discount of $2.3 million, within the current portion of debt in the condensed consolidated balance sheet as of September 30, 2026. As the Tranche A-1 and Tranche A-3 Loans were fully prepaid as of September 30, 2026, only the Tranche C Loan was evaluated for classification.

The reclassification is a matter of balance sheet presentation; it did not change the carrying amount of the borrowings and had no effect on the condensed consolidated statements of operations for the three and nine months ended September 30, 2026, and it does not reflect any acceleration of the obligations, demand for repayment, or change in the contractual maturity or repayment terms of the loans. The Lender has not accelerated the obligations and has granted covenant relief with respect to the June 30, 2026 test dates. On October 22, 2026, the Company repaid the remaining Generate loan, see discussion below.

Prepayment of Tranche C Loan

On October 22, 2026, Soluna DV Wind SponsorCo, LLC prepaid in full the Tranche C Loan, for an aggregate prepayment amount of approximately $15.2 million, inclusive of $0.1 million of accrued and unpaid interest, a prepayment premium of approximately $3.4 million, $11.7 million of the outstanding principal balance and all other amounts then due under the Amended Credit Agreement. As such, the Company has repaid the Generate loan facility in full retiring the Generate portion of debt and released the liens on project assets as of the date of these condensed financial statements.

Private Placement

Pursuant to the Amended Credit Agreement, on April 1, 2026, the Company issued to Generate Strategic Credit Master Fund I-B, L.P., an affiliate of the Lender and the Agent (the “Holder”), in a private placement (the “Private Placement”): (i) a pre-funded warrant (the “Pre-Funded Warrant”) to purchase up to 700,000 shares of common stock; (ii) a common warrant to purchase up to 1,350,000 shares of common stock (the “Common Warrant 1”); and (iii) a common warrant to purchase up to 650,000 shares of common stock (the “Common Warrant 2” and, together with the Common Warrant 1, the “Common Warrants” and, collectively, the “Warrants”).

Pre-Funded Warrant

The Pre-Funded Warrant is exercisable immediately and expires on the five-year anniversary of the date of issuance. The Pre-Funded Warrant is exercisable at an exercise price of $0.0001 per share of Common Stock. As of September 30, 2026, the Pre-Funded Warrant has been fully exercised.

Common Warrants

The Common Warrant 1 and Common Warrant 2 are identical except with regard to their exercise price. The Common Warrant 1 has an exercise price of $0.68 per share of Common Stock and the Common Warrant 2 has an exercise price of $0.75 per share of Common Stock. The Common Warrants are exercisable upon issuance and expire on the five-year anniversary of their date of issuance.

The warrants were initially measured at fair value and are classified as equity instruments; they are not subject to subsequent remeasurement. The Company performed a Black-Scholes valuation on April 1, 2026 of the Pre-Funded and Common Warrants generating a fair value of approximately $1.6 million noting the below assumptions:

	April 01, 2026
Stock price	$ 0.67
Exercise price	$0.0001- 0.75
Expected term in years	5.00
Volatility	136 %
Risk-free interest rate	3.93 %

Green Cloud Note

(Dollars in thousands)	Maturity Date	Interest Rate	January 1, 2026- September 30, 2026	January 1, 2025- December 31, 2025
Term Loan and capitalized interest (excludes debt issuance cost)	June 20, 2027	9 %	$ 7,803	$ 11,748
Less: principal and capitalized interest payments			(3,120)	(3,945)
Less: debt discount			(28)	(99)
Less: debt issuance costs			(66)	(231)
Total outstanding note			4,589	7,473
(Less) Current note outstanding			(4,589)	(4,361)
Long-term note outstanding			$ —	$ 3,112

On June 20, 2024, pursuant to the terms and subject to the conditions of a Note Purchase Agreement (the “June SPA”) by and among (i) CloudCo, (ii) Soluna Cloud, a Nevada corporation, indirect wholly owned subsidiary of the Company, and parent of CloudCo, (iii) the Company and (iv) the accredited investor named therein (the “Investor” or "Green Cloud", and collectively the “Note Parties”), CloudCo issued to the Investor a secured promissory note in a principal amount equal to $12.5 million (the “Green Cloud Note”). The Green Cloud Note accrues interest at a rate 9% per annum, subject to adjustment upon an event of default. The Green Cloud Note matures on June 20, 2027. CloudCo’s obligations under the Green Cloud Note were secured by all or substantially all of CloudCo’s assets, including pursuant to a security agreement executed and delivered by CloudCo in favor of the Investor (the “CloudCo Security Agreement”, and together with the June SPA and the Green Cloud Note, the “CloudCo Agreements”).

For the three months ended September 30, 2026 and September 30, 2025, the Company incurred approximately $194 thousand and $298 thousand in interest expense in relation to the Green Cloud Note, respectively, which includes interest paid on the note and amortization of deferred financing costs. For the nine months ended September 30, 2026 and September 30, 2025, the Company incurred approximately $692 thousand and $1.0 million in interest expense in relation to the Green Cloud Note, respectively, which includes interest paid on the note and amortization of deferred financing costs.

June SPA Modification

On March 21, 2025, the Note Parties entered into a Modification Agreement (the “Modification Agreement”) to, among other things:

(i) provide for the deposit of 1,000,000 shares (the “Escrow Shares”) of the common stock into an escrow account maintained by Northland Securities, Inc., pursuant to an escrow agreement (as further described below),

(ii) provide for the issuance to the Investor of penny warrants to purchase shares of the Company’s common stock. The number of penny warrants (exercise price at $0.01) shall equal $1.25 million divided by the 5-day VWAP of the Company’s common stock at time of issuance. The warrants will be issued at the time the Investor removes its lien on the property of the Company. As of the date of these condensed financial statements, the lien has not yet been removed and the warrants have not been issued,

(iii) amend the payment schedule of the Green Cloud Note to provide (a) for each of the six scheduled payments occurring after the earlier of the effectiveness of a registration statement for the resale of the Escrow Shares and the Conversion Shares (as defined below) or the date that the Escrow Shares and the

Conversion Shares may be sold pursuant to Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), without any information requirements, the amount of principal and interest payable on such date shall be reduced by 50% (the aggregate amount of the six months of such reductions, the "Specified Amount") and (b) if the aggregate amount of payments on the Amended Green Cloud Note applied from the proceeds of the sale of the Escrow Shares on or prior to the last six scheduled payments is less than the Specified Amount (such difference, the "Make Whole Amount"), than the amount of each of the remaining scheduled payments shall be increased by an amount equal to the Make Whole Amount divided by the number of remaining scheduled payments,

(iv) modify the Green Cloud Note such that the Green Cloud Note is now convertible into up to 2,500,000 shares of the Company's common stock based ("Conversion Shares") on a conversion price of $5.00,

(v) amend the Green Cloud Note to provide that the Company will be a direct co-obligor with CloudCo under the Green Cloud Note; and

(vi) amend the SPA to allow the Company to organize or incorporate any subsidiary, over which the Company shall have voting or beneficial control, which is being formed with the intent to engage in a business or line of business substantially similar to that of Soluna Cloud or the Company, without first paying all of the principal and interest due under the Note and without first obtaining Investor's prior written consent (collectively, the "June SPA Modification").

The joint-and-several liability arrangement is between the Company and CloudCo. While no written agreement has been created to establish the amount that each entity agrees to pay under the obligation, the nature of the relationship is such that the Company has taken a significant role in the economics of the Green Cloud Note. The Company expects to make any necessary payments on behalf of CloudCo in order to prevent default on the Green Cloud Note because the Investor has a lien on all property and assets of the Company in connection with the Green Cloud Note. Based on quantitative analysis performed by the Company, it was determined that the terms of the debt instrument before and after the June SPA Modification were not substantially different. Accordingly, the June SPA Modification was accounted for as a debt modification.

Subsequently, the Company and the Investor mutually agreed that the 1,000,000 Escrow Shares would instead be issued directly to the Investor and, on April 29, 2025, the Company issued 1,000,000 shares of common stock to the Investor. When the Investor sells the 1,000,000 shares in the open market (after either SEC registration effectiveness or pursuant to SEC Rule 144), the net cash proceeds from the sale of shares will be applied to the outstanding principal balance of the note up to $4.00 per share, and any excess proceeds over $4.00 per share will be retained by the Investor. The Investor had until March 31, 2026 (the "Sales Period") to sell the 1,000,000 shares to reduce the outstanding principal balance, or would have to return the shares. Prior to March 31, 2026, the Company's Board of Directors approved an extension of the Sales Period in order to renegotiate the application of the 1,000,000 shares. As of the date of these condensed financial statements, no modification of the agreement has been made.

July 2024 Additional Secured Note

On July 12, 2024, the Company, CloudCo, Soluna Cloud, and the Investor entered into a First Amendment to the Note Purchase Agreement (the "June SPA Amendment"). This amendment allows CloudCo to issue additional secured promissory notes totaling $1.25 million (the "Additional Notes") to new accredited investors (the "Additional Investors"). These Additional Notes are subject to the same terms and conditions as the June SPA financing.

On October 1, 2024, CloudCo, Soluna Cloud and the Company entered into assignment and assumption agreements (the "Assignment Agreements") with the Additional Investors with respect to an aggregate of $1.25 million of notes issued by CloudCo. Pursuant to the Assignment Agreements, the Company will be able to purchase such notes for a purchase price of $750 thousand, or 60% of face value. The assignment and assumption will be effective once all conditions of the agreement are met including fulfilling the purchase price. The notes will be paid to the note holders from an escrow that is funded in installments from the 2024 SEPA (as defined below) funding. The transfer is not effective until payment from the escrow is made. On March 14, 2025, the Company fulfilled the purchase obligations, and assumed the Additional Notes through payment of $750 thousand through principal and 50% interest payments and use of 20% 2024 SEPA funds. The Company recorded a gain on extinguishment of the July 2024 Additional Secured Notes of approximately $551 thousand for the nine months ended September 30, 2025. For the nine months ended September 30, 2025, the Company incurred approximately $33 thousand in interest expense in relation to the July Additional Secured Note.

Galaxy Loan

(Dollars in thousands)	Maturity Date	Interest Rate	January 1, 2026- September 30, 2026	March 12, 2025 – December 31, 2025
Term Loan	March 12, 2031	15 %	$ 4,625	$ 5,000
Less: principal payments			(1,600)	(375)
Less: debt discount and issuance costs			(330)	(342)
Total outstanding note			2,695	4,283
(Less) Current note outstanding			(363)	(784)
Long-term note outstanding			$ 2,332	$ 3,499

On March 12, 2025, Soluna SW LLC (the "SW Borrower"), a Delaware limited liability company and subsidiary of Soluna SW Holdings LLC ("SW Holdings", and together with the SW Borrower, the "SW Loan Parties"), a subsidiary of SDI, a Nevada corporation and wholly owned subsidiary of Company, entered into a Loan Agreement (the "Galaxy Loan Agreement") with SW Holdings and Galaxy Digital LLC (the "Lender").

The Galaxy Loan Agreement provides for a term loan facility in the principal amount of $5.0 million (the "Term Loan Facility"). The Term Loan Facility bears interest at a rate of 15.0% per annum, subject to an increase of 5.0% (for a total of 20.0%) in the event an Event of Default as defined within the Galaxy Loan Agreement has occurred and is continuing. The Term Loan Facility originally matured on March 12, 2030 and was subsequently amended to March 12, 2031 noted below in relation to the Second Amendment of the Galaxy Loan, with scheduled payments over a five-year term. For the three months ended September 30, 2026 and September 30, 2025, the Company incurred approximately $158 thousand and $220 thousand in interest expense in relation to the Term Loan Facility, which includes interest paid on the note and amortization of deferred financing costs. For the nine months ended September 30, 2026 and September 30, 2025, the Company incurred approximately $564 thousand and $498 thousand in interest expense in relation to the Term Loan Facility, which includes interest paid on the note and amortization of deferred financing costs.

The SW Borrower may voluntarily prepay all or part of the Term Loan Facility at any time together with accrued and unpaid interest on the principal amount to be prepaid up to the date of prepayment. The SW Borrower shall prepay all or part of the Term Loan Facility with 100% of the Net Cash Proceeds (as defined therein) received upon the occurrence of (i) an Asset Sale or Casualty Event (each as defined therein), (ii) an Equity Issuance (as defined therein), (iii) an issuance or incurrence of Indebtedness (as defined therein), or (iv) an Extraordinary Receipt (as defined therein), each subject to certain exceptions. In addition, certain principal payments are subject to the payment of a premium amount equal to 50% of the remaining amount of interest payable on such principal amount through the scheduled maturity date, if paid on or prior to the 30-month anniversary of the closing date, and 25% of the remaining amount of interest payable on such principal amount through the scheduled maturity date, if paid after the 30-month anniversary of the closing date.

The Galaxy Loan Agreement includes certain restrictions (subject to certain exceptions outlined in the Galaxy Loan Agreement) on the ability of the SW Loan Parties and their subsidiaries to undertake certain activities, including to incur indebtedness and liens, enter into sale or lease-back transactions, merge or consolidate with other entities, dispose or transfer their assets, pay dividends or make distributions, make investments, make Restricted Payments (as defined therein), enter into burdensome agreements or transact with affiliates. In addition, the SW Loan Parties are subject to three financial covenants – a minimum DSCR, a minimum current ratio, and cash in customer deposit account must equal or be greater than related customer liabilities. As of the date of these condensed consolidated financial statements, the Company is in compliance with all covenants in relation to the Galaxy Loan Agreement.

Second Amendment to the Galaxy Loan Agreement

On August 14, 2026 (the "Second Amendment Effective Date"), SW Holdings, the SW Borrower and the other Loan Parties entered into a Second Amendment to Loan Agreement (the "Second Amendment") with the Lender. Immediately prior to the Second Amendment, the outstanding principal balance of the Term Loan Facility was approximately $4.1 million. In connection with the Second Amendment, the SW Borrower made a $1.0 million payment of principal (the "Principal Payment"), and the Lender agreed to (i) extend the maturity date of the Term Loan Facility from March 12, 2030

to March 12, 2031, (ii) reduce the SW Borrower's scheduled monthly principal payments (which otherwise would have risen to $100 thousand per month in the final year of the term) to a flat $37.5 thousand per month, with the then-outstanding principal balance due in full at the extended maturity date, (iii) reduce, solely with respect to the Principal Payment, the early payment premium described above to 25% of the interest that would otherwise have been payable on such amount through the original March 12, 2030 maturity date (rather than the 50% otherwise applicable to payments made prior to the 30-month anniversary of the closing date), (iv) reduce the minimum DSCR financial covenant from 1.50 to 1.00 to 1.20 to 1.00, and (v) consent to the early termination of a hosting contract between the SW Borrower and one of its customers and waive any Default or Event of Default arising from that termination.

The Company evaluated the Second Amendment under *ASC 470-50, Debt—Modifications and Extinguishments*, including the cash flow test described in ASC 470-50-40-10, and concluded that the present value of the cash flows under the amended terms did not differ from the present value of the remaining cash flows under the original terms by 10% or more. Accordingly, the Company accounted for the Second Amendment as a modification, rather than an extinguishment, of the Term Loan Facility.

In connection with the $1.0 million Principal Payment, the Company recognized a loss of approximately $66 thousand for the three and nine months ended September 30, 2026, representing the pro rata portion of unamortized debt issuance costs allocable to the amount repaid, calculated in accordance with ASC 470-50-40. This amount is included in loss on extinguishment of debt in the accompanying condensed consolidated statements of operations and did not have a material effect on basic or diluted net loss per share. The remaining unamortized debt issuance costs, together with a fee paid to the Lender in connection with the Second Amendment, will continue to be amortized as an adjustment to the effective interest rate of the Term Loan Facility over its remaining term, using a new effective interest rate.

The Company was in compliance with all loan covenants as of September 30, 2026.

Yorkville Securities Purchase Agreement and Promissory Note

On April 15, 2026, the Company entered into a Securities Purchase Agreement (the "SPA") with YA II PN, LTD. (the "Lender"), pursuant to which the Company issued to the Lender a Promissory Note (the "Note") payable to the Lender, providing for an unsecured loan in the aggregate principal amount of up to $12.0 million (the "Principal Amount"). The outstanding Principal Amount will mature on May 15, 2027 (the "Maturity Date") and bears interest at a rate per annum of 5%, based on a 365-day year, which interest rate shall increase to a rate per annum of 18% upon the occurrence of an Event of Default (as defined in the Note) for so long as such event remains uncured. Under the Note, the Company is required to make monthly payments ("Amortization Payments") of $1.2 million per month, beginning sixty (60) days after closing until the Note is repaid in full. Each Amortization Payment shall include a 5% premium of the principal amount of such payment. In connection with the issuance, the Company incurred $625 thousand of deferred financing costs (legal fees) and issued warrants with an allocated fair value of approximately $1.6 million. Both amounts were recorded as a direct reduction of the carrying amount of the Note.

The Company may, upon at least one Business Day's prior written notice to the Lender, prepay the outstanding Principal Amount and an additional 5% of such Principal Amount (solely in respect of a redemption in full), and any accrued and unpaid interest, at any time prior to the Maturity Date. If the Company consummates a financing transaction, or series of financing transactions within a thirty (30) day period, with aggregate gross proceeds in excess of $20.0 million (excluding any (i) transaction with the Lender or its affiliates, (ii) sales under the At the Market Offering Agreement entered into between the Company and H.C. Wainwright & Co., LLC on April 29, 2025, (iii) issuance under the Standby Equity Purchase Agreement entered into between the Company and the Lender on August 12, 2024 or the Standby Equity Purchase Agreement entered into between the Company and the Lender on March 24, 2026, or (iv) exercises of options, warrants, or convertible securities outstanding as of April 15, 2026), then, unless waived by the Lender, the Company shall be required to redeem the Note in an amount equal to (a) 20% of the outstanding Principal Amount and (b) all accrued and unpaid interest on the Note.

During the period from May 20, 2026 through June 12, 2026, the Company redeemed the Note in full through three payments: (i) $9.6 million of principal (80% of the original balance) plus approximately $56 thousand of accrued interest on May 20, 2026; (ii) $1.2 million of principal on June 9, 2026; and (iii) a final payment on June 12, 2026 of $1.2 million of principal, a $60 thousand redemption premium (5% of the principal redeemed in full), and approximately $7 thousand of accrued interest. Each partial redemption was accounted for as a partial extinguishment under ASC 470-50-40-2, under which a pro-rata portion of the then-unamortized deferred financing costs and warrant discount was written off to loss on

extinguishment of debt. The June 12, 2026 payment fully extinguished the Note; the carrying value of the Note and all related debt discount was $0 as of that date.

The transaction resulted in total charges of approximately $2.4 million, consisting of interest expense of approximately $390 thousand (cash interest of approximately $63 thousand, time-based amortization of deferred financing costs of approximately $92 thousand, and time-based amortization of the warrant discount of approximately $235 thousand) and a loss on extinguishment of debt of approximately $2.0 million (pro-rata write-off of deferred financing costs of approximately $600 thousand, pro-rata write-off of the warrant discount of approximately $1.4 million, and the approximately $60 thousand redemption premium).

Private Placement

Pursuant to the SPA, the Company issued to the Lender in a private placement (the "Private Placement") a common warrant (the "Warrant") to purchase up to 2,400,000 shares of common stock. The Warrant has an exercise price of $1.06 per share of common stock, is exercisable upon issuance and expires on the twelve-month anniversary of its date of issuance. The Warrant was initially measured at fair value and is classified as an equity instrument; it is not subject to subsequent remeasurement. The Company performed a Black-Scholes valuation of the Warrant on April 15, 2026, generating a fair value of approximately $1.6 million noting the below assumptions:

		April 15, 2026
Stock price	$	1.05
Exercise price	$	1.06
Expected term in years		1.00
Volatility		179 %
Risk-free interest rate		3.70 %

The Lender fully exercised the Warrant in May 2026.

Equipment Loan Agreement

On May 16, 2024, SDI SL Borrowing – 1, LLC, an affiliate of the Company (the "SDI Borrower"), entered into a loan agreement (the "Equipment Loan Agreement" or the "Loan") with Soluna2 SLC Fund II Project Holdco LLC (the "Lender", and collectively, the "Parties"). As further amended on February 28, 2025, the Equipment Loan Agreement provides for the Company to borrow, from time to time, up to $4.0 million, to be used to purchase necessary equipment for the progression of Project Dorothy 2 and Project Kati. Any loans made under the Equipment Loan Agreement have a maturity date of May 16, 2027 and will bear interest at a rate of 15% per annum. The Equipment Loan Agreement includes customary covenants for loans of this nature including financial reporting, monthly updates, event reporting, as well as conduct of business. In addition, the Equipment Loan Agreement contains a multiple on invested capital ("MOIC") provision, which requires the Company to pay, in addition to principal and interest, an amount equal to the difference of (i) the greater of (a) the principal amount of the Loan being repaid *plus* all interest previously paid or simultaneously being paid to Lender in respect of such principal of the Loan, and (b) the principal amount of the Loan being repaid multiplied by three, *minus* (ii) the sum of the principal amount of the Loan being repaid *plus* all interest previously paid or simultaneously being paid to Lender in respect of such principal of the Loan.

Land Purchase Loan

On October 1, 2025, Soluna2 Kati Project Holdco LLC ("Kati Lender") provided the SDI Borrower with a loan in the amount of $1.075 million under the Equipment Loan Agreement to fund the purchase of land in support of the Project Kati Phase 2 construction. Pursuant to a letter agreement between SLC and the Company, the land purchase loan bears no interest and is subject to a 1.00x MOIC, together with a right of first refusal granted to SLC. The interest free nature of the loan required the Company to record a discount for approximately $226 thousand at issuance. On June 10, 2026, the SDI Borrower repaid in full the loan of approximately $1.1 million. Due to the extinguishment of debt, the Company recorded a loss on extinguishment of debt in relation to the acceleration of the discount being amortized of approximately $132

thousand. For the nine months ended September 30, 2026, approximately $94 thousand had been amortized and recorded within Interest Expense. No further obligations remain on the Equipment Loan Agreement as of September 30, 2026.

Unamortized debt issuance costs associated with the Equipment Loan Agreement were $43 thousand and $64 thousand within Prepaid expenses and other current assets as of September 30, 2026 and December 31, 2025 and $0 and $25 thousand within Other assets on the consolidated balance sheet as of September 30, 2026 and December 31, 2025. Approximately $15 thousand and $45 thousand in relation to the debt issuance costs have been amortized and recorded within Interest Expense for the three and nine months ended September 30, 2026.

11. Stockholders' Equity

Preferred Stock

The Company had two series of preferred stock outstanding: the Series A Preferred Stock, par value $0.001 per share (the "Series A Preferred Stock"), with a $25.00 liquidation preference; and the Series B Convertible Preferred Stock, par value $0.0001 per share (the "Series B Preferred Stock"). As of September 30, 2026 and December 31, 2025, there were 4,920,045 and 4,928,545 shares of Series A Preferred Stock issued and outstanding, and as of September 30, 2026 and December 31, 2025, there was 0 and 62,500 shares of Series B Preferred Stock issued and outstanding. On June 23, 2026, the Company filed a Certificate of Withdrawal of the Series B Preferred Stock with the Secretary of State of the State of Nevada. The Certificate of Withdrawal of the Series B Preferred Stock was effective immediately upon filing.

Series A Preferred Stock

The Series A Preferred Stock is not convertible into or exchangeable into common stock of the Company, except upon the occurrence of a delisting event or change of control. Per the Company's Certificate of Designations, Preferences and Rights of 9.0% Series A Cumulative Perpetual Preferred Stock ("Series A Certificate of Designations"), if there is an occurrence of delisting or change of control, the holders of Series A Preferred Stock will have the right to convert the number of preferred A shares into a number of common shares by the lesser of (a) the sum of the $25.00 liquidation preference per share of Series A Preferred Stock plus the amount of any accumulated and unpaid dividends divided by the closing price of the common stock on ten consecutive trading days preceding a delisting event, or (b) the share cap of 0.2817 shares of common stock per share of Series A Preferred Stock .

Series B Preferred Stock

On July 19, 2022, the Company entered into a Securities Purchase Agreement (the "Series B SPA") with an accredited investor (the "Series B Investor") pursuant to which the Company sold to the Series B Investor 62,500 shares of Series B Preferred Stock, for a purchase price of $5,000,000. The shares of Series B Preferred Stock were initially convertible, subject to certain conditions, into 46,211 shares of common stock, at a price per share of $135.25 per share, a 20% premium to the closing price of the common stock on July 18, 2022, subject to adjustment as set forth in the Certificate of Designations of Preferences, Rights and Limitations for the Series B Preferred Stock ("Series B Certificate of Designations"). On October 1, 2024, the Company agreed, as a condition of a waiver of the Series B Investor's right of first refusal and participation rights in connection with the SEPA, to reduce the conversion price to $5.00 upon stockholder approval, which was obtained on November 15, 2024. The sale of common stock as a result of conversion of Series B Preferred Stock and exercise of 140,000 warrants that the Series B Investor held was subject to a 12-month lockup, followed by a 12 month leak out where the holder may not sell shares during the lockup period and may sell up to 1/12th of total conversion and warrant exercise shares per month during the leak out.

Effective on February 5, 2026, per the terms of the Series B Certificate of Designations and Lock-Up and Leak-Out Agreement, the conversion price was adjusted to $0.96, and therefore can result in a conversion of 6,510,416 shares of common stock. It is noted that the conversion of shares is in a leak out period of 12 months from February 6, 2026 to February 6, 2027 in which the holder may sell up to 1/12th of total conversion and warrant exercises during such leak out period. Through an acceleration agreement of the leak out period, as of September 30, 2026, the 62,500 Series B shares had been converted to 6,510,416 shares of common stock.

On June 23, 2026, the Company filed a Certificate of Withdrawal of the Series B Preferred Stock with the Secretary of State of the State of Nevada and terminated the designation of the Series B Preferred Stock. At the time of the filing of the Withdrawal of Designation, no shares of Series B Preferred Stock were outstanding. The Withdrawal of Designation was

effective upon filing and eliminated from the Company's Articles of Incorporation, as amended, all matters set forth in the previously-filed Certificate of Designation with respect to the previously designated Series B Preferred Stock.

Common Stock

The Company has one class of common stock, par value $0.001 per share. Each share of the Company's common stock is entitled to one vote on all matters submitted to stockholders. As of September 30, 2026 and December 31, 2025, there were 256,182,519 and 102,531,089 shares of common stock outstanding, respectively.

Subsequent to September 30, 2026, on October 16, 2026, the Company held its Annual Meeting of Stockholders (the "Annual Meeting") at which, among other matters of business acted upon, the Company's stockholders approved an amendment to the Company's Articles of Incorporation, as amended (the "Articles"), to increase the Company's authorized shares of Common Stock, from 375,000,000 shares to 1,000,000,000 shares (the "Certificate of Amendment"). On October 16, 2026, the Company filed the Certificate of Amendment with the Secretary of State of the State of Nevada and such amendment became effective immediately.

Dividends

Pursuant to the Certificate of Designations, Preferences and Rights of 9.0% Series A Cumulative Perpetual Preferred Stock of the Company, dividends, when, as and if declared by the Board (or a duly authorized committee of the Board), will be payable monthly in arrears on the final day of each month, beginning August 31, 2021. The Board of Directors had not declared any Series A Preferred Stock dividends beginning October 2022 through September 30, 2026, as such the Company has accumulated approximately $29.6 million of dividends in arrears on the Series A Preferred Stock through December 31, 2025, and an additional $2.8 million and $8.3 million of dividends in arrears for the three and nine months ended September 30, 2026, for a total of approximately $37.9 million.

The Series B Preferred Stock included a 10% accruing dividend compounded daily for 12 months from the original issue date of July 20, 2022, and annually thereafter, that may be paid in cash or stock at the Company's option at the earlier of (i) the date the Series B Preferred Stock is converted, or (ii) the Series B Dividend Termination Date.

Effective October 1, 2024, the dividend payment obligation has been modified to be annual. The amendment resulted in annual dividend payments going forward. As a result of the amendment, the Company would be obligated to make annual dividend payments for the period starting from July 2023 as per the Series B Preferred Consent and Waiver, however, the board of directors has not yet declared any dividends for that period. As such, the Company had accumulated approximately $1.6 million dividends in arrears in relation to the Series B Preferred Stock through December 31, 2025 and an additional $431 thousand for 2026 through the date of declaration of the Series B dividend. On May 8, 2026, the board of directors declared and authorized payment of the dividend in arrears and further accrued dividends for a total of approximately $2.1 million, which was fully paid by September 30, 2026. For the three and nine months ended September 30, 2026, $0 thousand and $431 thousand of the Series B dividends were included in the calculation of net loss per share as discussed below. As the Series B Preferred Stock has been fully converted as of September 30, 2026, there are no further dividend payment obligations in relation to Series B Preferred Stock. See analysis of the Series B Preferred Stock below:

(in thousands)		
Balance January 1, 2026 (Cumulative dividends in arrears)	$	1,627
Series B dividends (In arrears) (January 1, 2026 - May 8, 2026) prior to declaration		431
Total Series B dividend in arrears prior to declaration and payment		2,058
Less: Series B dividend declaration and payments in the nine months ended September 30, 2026		(2,058)
Balance September 30, 2026	$	—

Standby Equity Purchase Agreement

On August 12, 2024, the Company entered into the Standby Equity Purchase Agreement (the "2024 SEPA") with YA II PN, LTD., a Cayman Islands exempt limited company ("YA"). Pursuant to the terms of the 2024 SEPA, the Company agreed to issue and sell to YA, from time to time, and YA agreed to purchase from the Company, up to $25 million of

shares of the Company's common stock (the "2024 SEPA Shares"). On November 12, 2024, the Company filed a registration statement on Form S-1 (File No. 333-282559) with the SEC for the resale by YA of 3,000,000 2024 SEPA Shares, which was declared effective by the SEC on February 5, 2025. During the year ended December 31, 2025, the Company had issued and sold 3.0 million shares of common stock to YA pursuant to the 2024 SEPA for aggregate net proceeds to the Company of approximately $6.2 million. On April 15, 2026, the Company filed a registration statement on Form S-1 (File No. 333-295052) with the SEC for resale by YA of 26,512,815 shares of common stock to cover any of the remaining 2024 SEPA Shares. For the nine months ended September 30, 2026, 10,237,605 shares of common stock were issued to YA pursuant to the 2024 SEPA for aggregate net proceeds of approximately $18.9 million, exhausting the $25 million and the 2024 SEPA.

On March 24, 2026, the Company entered into a Standby Equity Purchase Agreement (the "2026 SEPA") with YA. In accordance with the terms of the 2026 SEPA, YA has agreed to purchase up to an aggregate of $250.0 million of shares of common stock (the "2026 SEPA Shares") from time to time subject to the limits and the conditions of the 2026 SEPA. Pursuant to the 2026 SEPA, we issued to YA a commitment fee of $250 thousand through issuance of 335,976 shares of common stock (the "Commitment Shares"). The commitment fee was recorded within Other financing expense on the condensed financial statements for the nine months ended September 30, 2026. No shares other than the Commitment Shares have been issued to YA in relation to the 2026 SEPA for the three and nine months ended September 30, 2026.

ATM Agreement

On April 29, 2025, the Company entered into the At the Market Offering Agreement ("ATM Agreement" or "ATM") with H.C. Wainwright & Co., LLC ("Wainwright"), as sales agent, pursuant to which the Company may offer and sell, from time to time, through Wainwright, up to $87.65 million of shares of common stock. The Company will pay Wainwright a commission of 3.0% of the aggregate gross proceeds from each sale of shares and has agreed to provide Wainwright with customary indemnification and contribution rights. During the year ended December 31, 2025, the Company sold 23,591,162 shares of common stock pursuant to the ATM Agreement for net proceeds of $34.2 million, after deducting sales agent commissions and legal fees.

On March 9, 2026, the Company filed a shelf registration statement on Form S-3 (File No. 333-294152) with the U.S. Securities and Exchange Commission (the "SEC") which was declared effective by the SEC on March 30, 2026, and the accompanying base prospectus included therein, as supplemented by the prospectus supplement, dated April 1, 2026, filed with the SEC. Based on this prospectus, the Company may offer and sell shares of the Company's common stock having an aggregate offering price up to $500 million from time to time through Wainwright. During the three and nine months ended September 30, 2026, the Company sold 30,395,540 and 104,569,753 shares of common stock pursuant to the ATM Agreement for net proceeds of $37.7 million and $151.2 million after deducting sales agent commissions and legal fees. Subsequent to September 30, 2026 and through the date of the issuance of these condensed consolidated financial statements, the Company has issued 2,645,121 shares of common stock pursuant to the ATM Agreement for net proceeds of approximately $1.8 million.

Reservation of Shares

The Company had reserved common shares for future issuance as follows as of September 30, 2026:

Stock options outstanding	2,565
Restricted stock units outstanding	6,258,631
Warrants outstanding	24,300,344
Number of common shares reserved	30,561,540

Loss per Share

The Company computes basic loss per common share by dividing net loss by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share reflects the potential dilution, if any, computed by dividing loss by the combination of dilutive common share equivalents, comprised of shares issuable under outstanding investment rights, warrants and the Company's share-based compensation plans, and the weighted average number of common shares outstanding during the reporting period. Dilutive common share equivalents include the dilutive effect of in-the-money stock options, which are calculated based on the average share price for each period using the treasury stock

method. Under the treasury stock method, the exercise price of a stock option and the amount of compensation cost, if any, for future service that the Company has not yet recognized are assumed to be used to repurchase shares in the current period.

The following table sets forth the reconciliation of the numerators and denominators of the basic and diluted per share computations for operations for the three and nine months ended September 30, 2026 and September 30, 2025:

(Dollars in thousands, except shares)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Numerator:				
Net loss	$ (34,329)	$ (25,787)	$ (74,855)	$ (40,921)
(Less) Net loss attributable to non-controlling interest	(5,655)	(1,831)	(8,006)	(2,027)
Net loss attributable to Soluna Holdings, Inc.	(28,674)	(23,956)	(66,849)	(38,894)
Less: Preferred dividends or deemed dividends	—	(3,840)	(431)	(3,840)
Less: Cumulative Preferred Dividends in arrears	(2,767)	(2,950)	(8,304)	(8,858)
Balance	$ (31,441)	$ (30,746)	$ (75,584)	$ (51,592)
Denominator:				
Basic and Diluted EPS:				
Common shares outstanding, beginning of period, including penny warrants and excluding restricted stock awards not vested	178,822,712	8,106,814	83,988,996	8,106,814
Weighted average common shares issued during the period including penny warrants issued and outstanding and excluding restricted stock awards not vested as of quarter-end	17,501,015	18,876,209	53,555,678	7,576,258
Denominator for basic and diluted earnings per common shares — weighted average common shares	196,323,727	26,983,023	137,544,674	15,683,072
Basic and diluted loss per share	$ (0.16)	$ (1.14)	$ (0.55)	$ (3.29)

Because the Company reported a Net loss for both the three and nine months ended September 30, 2026 and 2025, loss from continuing operations serves as the "control number" in determining whether potential shares of common stock are dilutive or antidilutive. As a result, all potentially dilutive securities were antidilutive in each period presented, and basic and diluted net loss per share are the same. For the three and nine months ended September 30, 2026, the following potentially dilutive securities were excluded from the computation of diluted earnings per share because their effect would have been antidilutive: options to purchase 2,565 shares of the Company's common stock, 6,258,631 nonvested restricted stock units, 46,718,729 nonvested restricted stock awards, and 24,300,344 outstanding warrants (excluding penny warrants, which are included in the basic weighted-average share count due to their nominal exercise price).

Not included in the computation of earnings per share, assuming dilution, for the three and nine months ended September 30, 2025, were options to purchase 2,645 shares of the Company's common stock, 199,190 nonvested restricted stock units, 7,558,400 nonvested restricted stock awards, and 5,582,790 outstanding warrants not exercised which excludes penny warrants that can be potentially exercised. These potentially dilutive items were excluded because the calculation of incremental shares resulted in an anti-dilutive effect.

12. Commitments and Contingencies

Commitments:

Leases

The Company determines whether an arrangement is a lease at inception. The Company has operating and financing leases for certain land, office facilities and certain equipment. The leases have remaining lease terms of approximately two years

to twenty-two years. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Briscoe Project as discussed in Note 5 operates under multiple land lease agreements with third-party landowners for the turbine installation sites (the "Site Leases"). The Site Leases were remeasured as of the Closing Date of April 1, 2026 in accordance with ASC 842. Right-of-use assets of $3.9 million and corresponding lease liabilities of $4.0 million were recognized, reflecting the present value of remaining minimum lease payments discounted at the applicable rate as of the Closing Date. The weighted-average remaining lease term as of the Closing Date is approximately 19.7 years.

Lease expense for these leases is recognized on a straight-line basis over the lease term. For the three and nine months ended September 30, 2026 and September 30, 2025, total lease costs are comprised of the following:

(Dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating lease cost	$ 176	$ 70	$ 373	$ 106
Short-term lease cost	—	13	—	50
Finance lease costs				
Amortization of right of use assets	21	—	64	—
Interest on lease liabilities	51	—	130	—
Total finance lease costs	72	—	194	—
Total net lease cost	$ 248	$ 83	$ 567	$ 156

Short-term leases are leases having a term of twelve months or less. The Company recognizes short-term leases on a straight-line basis and does not record a related asset or liability for such leases.

Other information related to leases was as follows:

	Nine Months Ended September 30, 2026
Weighted Average Remaining Lease Term (in years):	
Operating leases	18.41
Financing leases	20.58
Weighted Average Discount Rate:	
Operating leases	14.24 %
Financing leases	11.35 %

(Dollars in thousands)	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Supplemental Cash Flows Information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 62	$ 109
Financing cash flows from financing leases	$ 170	$ —
Non-Cash Activity Right-of-use assets obtained or adjusted in exchange for lease obligations:		
Operating leases	$ —	$ 3,441
Financing leases	$ (430)	$ —

Maturities of noncancellable operating and financing lease liabilities are as follows as of September 30, 2026:

(Dollars in thousands)

	Operating leases	Financing leases	Total
2026 (remainder of year)	$ 20	$ 56	$ 76
2027	730	225	955
2028	677	225	902
2029	677	225	902
2030	677	225	902
Thereafter	9,779	3,656	13,435
Total lease payments	12,560	4,612	17,172
Less: imputed interest	(8,040)	(2,826)	(10,866)
Total lease obligations	4,520	1,786	6,306
Less: current obligations	(111)	(23)	(134)
Long-term lease obligations	$ 4,409	$ 1,763	$ 6,172

As of September 30, 2026, there were no additional operating or financing lease commitments that had not yet commenced.

Soluna Holdings, Inc. Commitments:

As of September 30, 2026, the Company was contractually committed for approximately $2.3 million of capital expenditures, primarily related to infrastructure builds, equipment procurement, and labor primarily associated with the Company's Project Kati 2 and Dorothy 3 datacenters. These capital expenditures are expected to occur within the next twelve months.

Contingencies:

Legal

We are subject to legal proceedings, claims and liabilities which arise in the ordinary course of business. When applicable, we accrue for losses associated with legal claims when such losses are probable and can be reasonably estimated. These accruals are adjusted as additional information becomes available or circumstances change. Legal fees are charged to expense as they are incurred.

13. Related Party Transactions

HEL Transactions

As discussed in the Company's 2023 Annual Report and all agreements included as exhibits and defined within the 2023 Annual Report, on October 29, 2021, the Company completed the Soluna Callisto acquisition pursuant to the merger agreement (the "Merger Agreement"). The purpose of the transaction was for SCI to acquire substantially all of the assets (other than those assets physically located in Morocco) formerly held by Harmattan Energy, Ltd. ("HEL"), which assets consisted of SCI's existing pipeline of certain cryptocurrency mining projects that HEL previously transferred to SCI, which was formed expressly for this purpose, and to provide SCI with the opportunity to directly employ or retain the services of four individuals whose services it had retained through HEL prior to the merger. As a result of the merger, each share of common stock of Soluna Callisto issued and outstanding immediately prior to the effective time of the merger, other than shares owned by the Company or any of our subsidiaries, was cancelled and converted into the right to receive a proportionate share of the Merger Consideration.

In connection with the Soluna Callisto acquisition, effective as of October 29, 2021, upon and subject to the terms and conditions of the Termination Agreement, on November 5, 2021: (1) the existing Operating and Management Agreements between HEL and SCI were terminated in all respects; and (2)(A) SCI paid HEL $725 thousand, (B) SHI issued to HEL the Termination Shares, and (C) HEL and SHI entered into an Amended and Restated Contingent Rights Agreement that, among other things, amended the existing Contingent Rights Agreement by and between HEL and SHI, dated January 13, 2020, to provide SHI the right to invest directly in certain cryptocurrency mining opportunities being pursued by HEL. SHI filed a registration statement with the SEC to register the resale of the Termination Shares on February 14, 2022.

Due to conditions being met within the Merger Agreement in relation to energization and retention of employees, the Company has advised SCI US Holdings LLC, a Delaware limited liability company, who is the sole Effective Time Holder (as defined in the Merger Agreement) of the right to receive the Merger Shares and that 19,800 Merger Shares were issued on May 26, 2023, 39,600 Merger Shares were issued on October 10, 2023, and 17,820 Merger Shares were issued on October 8, 2025. On February 6, 2026, the Company issued an additional 10,692 Merger Shares, due to the 18 MW of energization being met. SCI US Holdings LLC has consented to the issuance of such Merger Shares as required under the Merger Agreement and has directed the Company to issue such Merger Shares to its affiliate, HEL. The remaining 30,888 Merger Shares were issued on June 24, 2026 with the energization of D2, and therefore closes out the 118,800 Merger Shares available for issuance, and no further Merger Shares remain available pursuant to the terms of the Merger Agreement as of September 30, 2026.

Four of the Company's directors have various affiliations with HEL. The Company notes that the only transaction with HEL for the year ended December 31, 2025 and three and nine months ended September 30, 2026 was in relation to the issuance of Merger Shares noted above.

The Company owned approximately 1.79% of HEL, calculated on a converted fully diluted basis, as of September 30, 2026 and December 31, 2025. The Company's equity investment of HEL was fully impaired in fiscal year 2024, as such the equity investment is valued at $0 for both September 30, 2026 and December 31, 2025. The Company may enter into additional transactions with HEL in the future.

14. Stock-Based Compensation

The Company currently issues awards under the Soluna Holdings, Inc. Third Amended and Restated 2021 Stock Incentive Plan, as amended (the "2021 Plan"), and the Soluna Holdings, Inc. Amended and Restated 2023 Stock Incentive Plan, as amended (the "2023 Plan"). There were no amendments to the 2021 Plan or the 2023 Plan during the three and nine months ended September 30, 2026. For further details regarding our stock-based compensation plans and the methods and assumptions used in the determination of the fair value of stock-based awards, refer to our Annual Report on Form 10-K filed with the SEC on March 30, 2026.

During the three months ended September 30, 2026, there were no awards granted under the 2021 Plan.

During the three months ended September 30, 2026, the Company awarded the following under the 2023 Plan:

Award Type	Number of Awards	Fair Value/Closing Market Price at Grant
Restricted Stock Units – Common Stock	3,200,000	$ 1.22
Restricted Stock Units – Common Stock	25,000	$ 1.22
Restricted Stock Units – Common Stock	140,000	$ 1.19
Restricted Stock Units – Common Stock	492,478	$ 1.13
	3,857,478	

During the nine months ended September 30, 2026, the Company awarded the following under both the 2021 and 2023 Plan:

Award Type	Number of Awards	Fair Value/Closing Market Price at Grant	Plan
Restricted Stock Awards – Common Stock	1,373,000	$ 1.17	2023 Plan
Restricted Stock Awards – Common Stock	12,039,001	$ 1.67	2023 Plan
Restricted Stock Awards – Common Stock	8,471,834	$ 1.67	2021 Plan
Restricted Stock Units – Common Stock	50,000	$ 1.17	2023 Plan
Restricted Stock Units – Common Stock	485,000	$ 0.87	2023 Plan
Restricted Stock Units – Common Stock	1,281,250	$ 0.75	2023 Plan
Restricted Stock Units – Common Stock	140,000	$ 0.71	2023 Plan
Restricted Stock Units – Common Stock	35,000	$ 1.67	2023 Plan
Restricted Stock Units – Common Stock	3,200,000	$ 1.22	2023 Plan
Restricted Stock Units – Common Stock	25,000	$ 1.22	2023 Plan
Restricted Stock Units – Common Stock	140,000	$ 1.19	2023 Plan
Restricted Stock Units – Common Stock	492,478	$ 1.13	2023 Plan
	27,732,563		

12,888,557 of the restricted stock awards vest at separation from the Company, 1,373,000 of the restricted stock awards vest 33% on December 1, 2026, 33% on December 1, 2027, and 34% on December 1, 2028. 7,622,278 of the restricted stock awards vest 33% on June 1, 2027, 33% on June 1, 2028, and 34% on June 1, 2029. 50,000 of the restricted stock units vest 25% on April 1, 2026 and the remaining 75% in equal quarterly installments over the next 24 months with the first quarterly vesting on June 20, 2026. 485,000 of the restricted stock units vest 33% on January 1, 2027, 33% on January 1, 2028, and 34% on January 1, 2029. 1,281,250 of the restricted stock units vest 33% on March 9, 2027, 33% on March 9, 2028, and 34% on March 9, 2029. 140,000 of the restricted stock units vest 33% on March 24, 2027, 33% on March 24, 2028, and 34% on March 24, 2029. 35,000 of the restricted stock units vest 33% on June 1, 2027, 33% on June 1, 2028, and 34% on June 1, 2029. 3,200,000 of the restricted stock units vest 33% on July 13, 2027, 33% on July 13, 2028, and 34% on July 13, 2029. 25,000 of the restricted stock units vest 33% on August 3, 2027, 33% on August 3, 2028, and 34% on August 3, 2029. 632,478 of the restricted stock units vest 33% on September 1, 2027, 33% on September 1, 2028, and 34% on September 1, 2029.

Dilution Protection (True-Up) Agreements

In April 2024, the Company adopted a dilution protection program for certain directors and employees of the Company pursuant to Master Restricted Stock Agreements (collectively, the "True-Up Agreements"). The True-Up Agreements entitle each recipient to periodic grants of restricted stock calculated by reference to a specified percentage of certain

issuances of common stock by the Company during rolling quarterly measurement periods. Restricted stock granted under the True-Up Agreements is issued under the 2021 Plan and the 2023 Plan.

In May 2026, the Company issued 20,510,835 shares of restricted common stock under the True-Up Agreements. 12,039,001 shares under the 2023 Plan and 8,471,834 shares under the 2021 Plan were issued, with a grant date fair value of $1.67 per share, in connection with the Company's issuances of common stock during the three months ended December 31, 2025 and March 31, 2026, including shares issued upon the exercise of warrants, in a registered direct offering, under the ATM Agreement, and previously under the True-Up Agreements. These awards are included in the table above.

On January 21, 2026, as part of simplifying the Company's executive compensation program, the Board and the Compensation Committee approved the sunset of the True-Up Agreements. No grants will be made for equity issuances after December 31, 2026. The final grants, covering equity issuances through December 31, 2026 for which no grant has previously been made, will be made no later than January 15, 2027. However, no grants can be made without approval from the Board and Compensation Committee. Restricted stock previously granted under the True-Up Agreements will continue to vest on its original schedule. The Company does not intend to enter into new or replacement dilution protection arrangements.

During the three months ended September 30, 2025, there were no awards granted under the 2021 Plan.

During the three months ended September 30, 2025, the Company awarded the following under the 2023 Plan:

Award Type	Number of Awards	Fair Value/Closing Market Price at Grant
Restricted Stock Awards – Common Stock	2,751,078	$ 0.47

During the nine months ended September 30, 2025, the Company awarded the following under the 2021 and 2023 Plans:

Award Type	Number of Awards	Fair Value/Closing Market Price at Grant	Plan
Restricted Stock Awards – Common Stock	2,140,683	$ 0.64	2021 Plan
Restricted Stock Awards – Common Stock	2,751,078	$ 0.47	2023 Plan
Restricted Stock Units- Common Stock	32,000	$ 0.63	2021 Plan
	4,923,761		

2,820,117 of the restricted stock awards vest at separation from the Company, 939,371 of the restricted stock awards vest 33% on June 1 ,2026, 33% on June 1, 2027 and 34% on June 1, 2028, 32,000 of the restricted stock units vest 33% on June 3, 2026, 33% on June 3, 2027 and 34% on June 3, 2028, and 1,132,273 of the restricted stock awards vest 33% on September 1, 2026, 33% on September 1, 2027 and 34% on September 1, 2028.

Share-based compensation expense recognized in the Condensed Consolidated Statements of Operations is based on awards ultimately expected to vest, therefore, awards are reduced for estimated forfeitures. The accounting standard requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company will recognize the compensation expense on a straight-line basis over the service period for the entire awards. As of September 30, 2026 and December 31, 2025, the awards from the Plans are presented within the stockholders' equity section of the Company's condensed balance sheet.

Total share-based compensation expense, related to the Company's share-based awards, recognized for the three and nine months ended September 30, was comprised as follows:

(Dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Cost of cryptocurrency mining revenue, exclusive of depreciation	$ 29	$ 3	$ 63	$ 12
Cost of data hosting revenue, exclusive of depreciation	146	30	344	99
General and administrative expenses, exclusive of depreciation and amortization	15,704	1,849	35,174	5,560
Total share-based compensation expense	$ 15,879	$ 1,882	$ 35,581	$ 5,671

15. Effect of Recent Accounting Updates

Accounting Updates Effective for fiscal year 2026

Changes to U.S. GAAP are established by the Financial Accounting Standards Board (the "FASB") in the form of accounting standard updates ("ASUs") to the FASB's Accounting Standards Codification ("ASC"). The Company considered the applicability and impact of all ASUs. ASUs not mentioned below were assessed and determined to be either not applicable or are expected to have minimal impact on our consolidated financial position or results of operations.

Debt with Conversion and Other Options

In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU No. 2024-04, *Debt - Debt with Conversion and Other Options* (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments. ASU 2024-04 clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion to improve relevance and consistency. The new standard is effective for the Company for its annual periods beginning after December 15, 2025 and interim periods within those annual reporting periods, with early adoption permitted. The Company notes that the adoption of this guidance did not have an impact on its condensed financial statements, and the Company will review any new debt agreements with conversion options.

Measurement of Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments provide a practical expedient and, if applicable, an accounting policy election to simplify the measurement of credit losses for certain receivables and contract assets. The amendments are effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted in any interim or annual period in which financial statements have not yet been issued or made available for issuance. The Company has adopted this amendment, applied the practical expedient, and noted it did not have an impact on its financial position, results of operations, or cash flows.

Accounting Updates Not Yet Effective

Improvements to Comprehensive Income- Expense Disaggregation

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)* ("ASU 2024-03"). ASU 2024-03 requires, in the notes to the financial statements, disclosures of specified information about certain costs and expenses specified in the updated guidance. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is evaluating the impact the updated guidance will have on its disclosures.

Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity

In May 2025, the FASB issued ASU 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*. The amendments provide guidance

on identifying the accounting acquirer in transactions involving a variable interest entity. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual periods. Early adoption is permitted as of the beginning of an interim or annual reporting period. The Company is currently evaluating the impact of this amendment and does not expect that the adoption of this guidance will have a material impact on its financial position, results of operations, or cash flows.

16. Variable Interest Entities

Dorothy 2

On July 22, 2024 (the “Effective Date”), SHI closed financing for the Dorothy 2 project. This project involves Soluna Digital, Inc. (the “Developer”) and Soluna DVSL II ComputeCo, LLC (“DVSL II”), a special purpose vehicle initially owned solely by the Developer. They are collaborating on the development, design, procurement, and construction of a 48 MW data center (“Project Dorothy 2”) in Silverton, Texas. This facility is owned by DVSL II and operated by Soluna US Services, LLC, and may engage in cryptocurrency, batch processing, and other non-crypto related activities. It is adjacent to two other company data center projects at the same site.

Project Dorothy 2 is financed by Soluna2 SLC Fund II Project Holdco LLC, an investment vehicle of SLC with a capital contribution of up to $29.98 million, and the Developer, as the parent company of DVSL II, with an initial capital contribution of up to $4.6 million. As of the Effective Date, the Company and the Developer became co-owners of DVSL II. In exchange for contributions to DVSL II, the Company and SLC were initially issued 42% and 58% of the Class B Membership Interests in DVSL II respectively, and were admitted as Class B members of DVSL II. Further, DVSL II issued 100% of its Class A Membership Interests to SDI. In relation to distributions, once ERCOT Achievement Date has been met (date on which SLC and the Company have mutually agreed upon the parameters for power trading or demand response program in the ERCOT market) until the Target Return Date (last day of quarter in which the Class B members achieve an 18% internal rate of return), the Class A members will obtain 7.5% of the distributable cash with the remaining 92.5% being distributed to the Class B members on a pro-rata basis. After the Target Return Date is met, 50% of distributable cash will be allocated to the Class A members and 50% allocated to the Class B members in accordance with their membership interests.

Project Dorothy 2 allows the Developer to invest in DVSL II, with the total ownership of the Developer and its affiliates capped at 49% of the Class B Membership Interests. This investment can occur within 30 days after the Effective Date (treated equally to the initial Investor), from day 31 to 180 days after the Effective Date (subject to a purchase price formula with a 20% discount rate), or after 180 days with the initial Investor’s approval.

On May 16, 2024, the Company secured $1.0 million in financing from SLC for equipment and machinery for Project Dorothy 2 through an Equipment Loan Agreement (the “ELA”) between SDI SL Borrowing - 1, LLC (the “Borrower”) and SLC. On that date, SLC lent the Borrower $720,000 to purchase medium voltage cables and low voltage switchboards. This debt was later assigned to DVSL II on the Effective Date. Subsequently, the borrowing amount was paid in full by issuing SLC Class B Membership Interests in the Dorothy 2 project valued at three times the borrowing amount (i.e., $2.16 million).

On April 4, 2025, the Company transferred its Class B Membership to SLC, resulting in 0% Class B Membership Interests held by the Company. SDI still retains 100% Class A Membership Interests in DVSL II as of September 30, 2026. The Company concluded that it is the primary beneficiary of DVSL II and consolidates the entity.

The Company evaluated this legal entity under *ASC 810, Consolidation* and determined that this entity is a variable interest entity ("VIE"), as the equity holders as a group do not have the characteristics of a controlling financial interest. Even though SLC holds all of the Class B membership interests, the Company holds all the Class A membership, which gives it the ability to control the significant decisions made in the ordinary course of business. The Company has the right to receive benefits that could potentially be significant to the VIE through its Class A membership interest, as it is eligible to receive 50% of distributions upon SLC obtaining a specified internal rate of return. The non-controlling shareholders do not hold substantive participating rights, voting rights or liquidation rights.

In September 2025, the Company agreed to terms of a debt facility with Generate under a Credit and Guaranty Agreement, as discussed in Note 10. Several events occurred in connection with the debt facility, [1] the Company completed a restructuring of the subsidiaries that comprise “Project Dorothy 1A” and “Project Dorothy 2” (herein referred to as the “Dorothy Restructuring”), [2] Soluna DVSL ComputeCo LLC, Soluna DVSL II ComputeCo LLC, and Soluna KK I

ComputeCo LLC entered into a First Priority Leasehold Deed of Trust (the “Deed of Trust”) with Generate which provides Generate with the power of sale and right of entry and possession of the Trust Property.

Following the Dorothy Restructuring, Project Dorothy 2 consists of Soluna DVSL II JVCo, LLC (“DVSL II JVCo”), which has Class A units owned by the Developer and Class B units owned by SLC. DVSL II JVCo is then the sole parent of Soluna DVSL II HoldCo, LLC (“DVSL II HoldCo”), which is the sole owner of DVSL II ComputeCo. The total ownership of Project Dorothy 2 remains such that the Developer holds all Class A units and that SLC holds all Class B units.

On August 10, 2026, DVSL II prepaid in full its $13.4 million of outstanding borrowings under the Generate Credit Agreement, including premiums, and Generate released its liens on the Dorothy 2 assets, including the Deed of Trust. SDI funded the prepayment, and DVSL II issued SDI an intercompany note of $13.4 million on terms that mirror the Generate loan. The note is included in other liabilities-related party in the table below and is eliminated in consolidation. See Note 10.

The Company noted that [1] there is no substantive change to the ascending view of the organizational chart since the Company (through the Developer and newly created DVSL II JVCo and DVSL II ComputeCo) beneficially own the Class A units (i.e., managing units) of DVSL II and [2] there are no substantive kick-out rights that exist within Project Dorothy 2 that would cause the Developer to not have the ability to direct the activities that most significantly impact the economic performance of DVSL II. In addition, the entity’s obligation to absorb losses and right to receive benefits has not changed. As a result, neither the Credit Agreement and Deed of Trust nor their release on the August 2026 prepayment changed the Company's conclusion that it is the primary beneficiary of DVSL II, and the Company continues to consolidate the entity.

The amount of the assets and liabilities (including intercompany and related party balances that are eliminated in consolidation) was as follows for DVSL II JVCo:

(Dollars in thousands)	September 30, 2026	December 31, 2025
Current assets:		
Cash and restricted cash	$ 7,935	$ 7,969
Accounts receivable, trade	2,976	3,054
Accounts receivable, intercompany	—	175
Prepaid expenses and other current assets	199	77
Other receivable, related party	790	2,580
Total current assets	11,900	13,855
Other assets, related party	4,036	4,036
Operating lease right-of-use assets	68	74
Property, plant and equipment, net	22,616	24,296
Deposits on equipment	52	—
Total assets	$ 38,672	$ 42,261
Current liabilities:		
Accounts payable, trade	$ —	$ 8
Accounts payable, related party	1,374	627
Accrued liabilities	1,925	5,160
Income tax payable	33	13
Current portion of debt	—	2,574
Other current liabilities	1,991	91
Operating lease liability	9	8
Total current liabilities	5,332	8,481
Other liabilities	209	2,071
Other liabilities-related party	14,286	854
Long-term debt	—	7,293
Operating lease liability	62	66
Total liabilities	$ 19,889	$ 18,765

Kati 1

On July 22, 2025 (the "Effective Date"), Soluna Digital, Inc. ("SDI"), a subsidiary of the Company, finalized a contribution agreement and operating agreement for Project Kati, a 166 MW facility located in Willacy County, Texas, which is expected to be delivered in two phases of 83 MW each. This project involves SDI as the Developer, Soluna KKSL JVCo LLC (the "KKSL JVCo"), a special purpose vehicle initially owned solely by SDI, and Soluna2 Kati Project Holdco LLC ("Spring Lane"). This facility is owned by KKSL JVCo, and operated by Soluna US Services, LLC, and may engage in cryptocurrency, batch processing, and other non-crypto related activities.

Currently, Project Kati 1 is financed by Soluna2 Kati Project Holdco LLC, an investment vehicle of SLC with a capital contribution cap of up to $48.98 million. In exchange for contributions to KKSL JVCo, SDI was issued 100% of Class A Membership Units in KKSL JVCo, and SLC was initially issued 100% of the Class B Membership Interests in KKSL JVCo and admitted as a Class B member of KKSL JVCo. Further, SDI and SLC entered into a Developer Investment Side Letter that allowed SDI to invest into KKSL JVCo up to 49% of ownership in the Class B Membership Interests through January 31, 2026. SDI had contributed to KKSL JVCo through the period, and as of September 30, 2026, SDI holds 100%

of the Class A membership interests and 14% of the Class B membership interest in Project Kati 1, while SLC holds the remaining 86% of the Class B membership interests.

In relation to distributions, until the Target Achievement Date (date at which Class B members achieve a 16% of IRR), (i) first, the Distributable Cash received by the Company shall be distributed ninety-two and five tenths percent (92.5%) to the Class B Members on a pro rata basis, and seven and five tenths percent (7.5%) to the Class A Member, until each of the Class B Members has received its Target Return; (ii) second, after the Target Achievement Date, the portion of Distributable Cash received by the Company shall be distributed fifty percent (50%) to the Class A Member (or its respective assigns), and fifty percent (50%) to the Class B Members (or their respective assigns), pro rata in accordance with their Membership Interests.

During the nine months ended September 30, 2026, management concluded that the Company will not draw the remaining $6.0 million Tranche B Generate commitment prior to its expiration on October 31, 2026, and as such KKSL JVCo wrote off the related loan commitment asset. Since April 2026, SDI has funded the construction of Project Kati 1 through an intercompany loan to KKSL JVCo, which is eliminated in consolidation

The Company evaluated this legal entity under *ASC 810, Consolidation* and determined that this entity is a VIE, as the equity holders as a group do not have the characteristics of a controlling financial interest. Even though SLC holds all of the Class B membership interests, SDI holds all the Class A membership, which gives it the ability to control the significant decisions made in the ordinary course of business. The Company has the right to receive benefits that could potentially be significant to the VIE through its Class A membership interest, as it is eligible to receive 50% of distributions upon SLC obtaining a specified internal rate of return. The non-controlling shareholders do not hold substantive participating rights, voting rights or liquidation rights.

Included within other liabilities, related party is an intercompany loan with SDI of approximately $12.3 million, including $0.5 million advanced in September 2026 to fund deposits on mining equipment, which is eliminated from the Company's consolidated condensed financial statements. The amount of the assets and liabilities (including intercompany and related party balances that are eliminated in consolidation) was as follows for KKSL JVCo:

(Dollars in thousands)	September 30, 2026	December 31, 2025
Current assets:		
Cash and restricted cash	$ 2,051	$ 1,621
Accounts receivable	1,325	—
Due from intercompany	1,757	725
Loan commitment assets	—	3,018
Prepaid expenses and other current assets	61	393
Total current assets	5,194	5,757
Other assets, related party	3,300	3,300
Finance lease right-of-use assets	1,752	2,246
Property, plant and equipment, net	31,739	15,918
Deposits on equipment	455	1,377
Total assets	$ 42,440	$ 28,598
Current liabilities:		
Accounts payable, trade	$ 799	$ 2,236
Accounts payable, related party	2,508	2,590
Accrued liabilities	92	2,152
Other current liabilities	73	—
Finance lease liability	23	20
Total current liabilities	3,495	6,998
Other liabilities	707	—
Other liabilities- related party	13,718	1,373
Finance lease liability	1,763	2,236
Total liabilities	$ 19,683	$ 10,607

Kati 2

On June 3, 2026, Soluna HPC KK II HoldCo, LLC (the "Soluna Member"), an indirect wholly owned subsidiary of the Company, entered into the limited liability company agreement of Soluna MB KK II JVCo, LLC ("Kati 2 JVCo") with DC Kati Venture LLC (the "Metrobloks Member"), an affiliate of Metrobloks, LLC. Kati 2 JVCo was formed on May 22, 2026 to acquire, own and develop, through two wholly owned subsidiary land companies, a multi-phase data center campus in Willacy County, Texas, marketed as "Project Kati 2." The campus is planned in two phases: a Phase I development of approximately 100 MW of critical IT load on property already owned by Kati 2 JVCo, and a Phase II development of approximately 250 MW of critical IT load on property to be acquired under a purchase and sale agreement assigned to Kati 2 JVCo’s Phase II land company at closing.

The Soluna Member holds 100% of the Class A Interests of Kati 2 JVCo and serves as its sole manager. The Metrobloks Member holds 100% of the Class B Interests, which are profits interests carrying no voting rights and an initial capital account of zero. Distributions are made first to repay any default loans, second to return capital contributions to the members, third to provide the members a 14% internal rate of return on their capital contributions, fourth in an amount equal to $100 thousand per megawatt of the project’s contracted generating capacity to the Soluna Member, and thereafter 50% to each member.

As of the effective date, the Soluna Member's capital account in Kati 2 JVCo was credited with approximately $6.6 million under the joint venture agreement, consisting of the Phase I property, credited at an agreed value of $1.1 million, approximately $3.5 million of other pre-formation development costs and fees, and $2.0 million of cash. Because the contributed property and development costs were transferred between entities under common control, Kati 2 JVCo recorded them at the Company's historical carrying amounts. The difference between the capital account credit and the carrying amount reflects development costs previously expensed by the Company and amounts credited under the joint venture agreement in excess of historical cost. Approximately $2.1 million of the development costs credited to the capital account had previously been expensed by the Company and therefore have no carrying amount in the consolidated financial statements. Kati 2 JVCo recorded the Soluna Member's contribution at a carrying amount of approximately $4.5 million. The capital account balance, rather than the carrying amount, determines distributions and the Metrobloks Member's profits interest described above. In September 2026, the Soluna Member contributed an additional $0.3 million of cash, and as of September 30, 2026, its cumulative contributions recorded by Kati 2 JVCo were approximately $4.8 million. The Soluna Member has committed to contribute an additional approximate $19.1 million to fund the acquisition of the Phase II property and, subject to approval by the manager, up to an additional $2.0 million to fund operating expenses of Kati 2 JVCo as they become due. The Metrobloks Member made no capital contribution and, other than a reinvestment obligation that arises only upon the transition to the vertical phase of the project, has no obligation to contribute capital. Kati 2 JVCo has no third-party debt outstanding. Its activities have been financed by capital contributions from the Soluna Member and, as of September 30, 2026, a $0.5 million advance from the Company that is eliminated in consolidation. Development of the campus is expected to require substantial financing from third parties, which the joint venture agreement contemplates would be arranged in connection with a future contribution of the project property to a development entity.

The Company concluded that Kati 2 JVCo is a VIE because its total equity investment at risk is not sufficient, by design, to permit it to finance its activities without additional subordinated financial support. In reaching that conclusion, the Company considered that Kati 2 JVCo holds undeveloped land and capitalized development costs that do not generate revenue; that it cannot complete the acquisition of the Phase II property without the Soluna Member’s unfunded capital commitment; and that the development of the campus is expected to be financed through third-party arrangements that have not been obtained. The Company also determined that the Class B Interests are not equity investment at risk, because they were issued for no capital contribution, carry an initial capital account of zero, do not participate in losses and carry no deficit restoration obligation. The equity investment at risk therefore consists solely of the Class A Interests held by the Soluna Member.

The Company concluded that it is the primary beneficiary of Kati 2 JVCo and consolidates the entity. The Soluna Member, as sole manager and holder of all of the voting interests, has the exclusive authority to direct the activities that most significantly impact Kati 2 JVCo’s economic performance, including the acquisition and development of the project properties, the procurement of power, the negotiation of customer contracts, the management of construction and operations, and all financing decisions. The rights held by the Metrobloks Member — consultation rights with respect to the selection of investors and the terms of major debt financing in connection with a future development-entity transaction, an approval right over agreements with affiliates of the Company that are both non-arm’s-length and $500 thousand or more per annum, and a consent right over amendments to the distribution provisions that would affect it disproportionately — are protective rights that do not convey the ability to direct the significant activities of Kati 2 JVCo. The Soluna Member also has the obligation to absorb losses of, and the right to receive benefits from, Kati 2 JVCo that could potentially be significant, through its capital contributions and its priority and residual participation in distributions.

The Soluna Member’s contribution of the Phase I property and related development costs, each of which the Company already controlled, was accounted for as a transaction among entities under common control, and those assets were recorded at their historical carrying amounts. The Company separately evaluated the simultaneous issuance of the Class B Interests to the Metrobloks Member, for which no capital contribution was made, to determine whether the interests were granted in exchange for services and therefore within the scope of ASC 718. Based on the terms of the joint venture agreement, the terms of the design services management agreement between the Company and Metrobloks, LLC — under which the services within its scope are compensated solely in cash — and the contemporaneous record of the negotiations, including the 50/50 ownership structure agreed at the term-sheet stage, the Company concluded that the Class B Interests were issued in respect of the Metrobloks Member’s position as a venture partner and not as compensation for services. Accordingly, the non-controlling interest attributable to the Class B Interests was recorded at zero upon formation, and no share-based payment cost was recognized. Income and loss will be attributed to the non-controlling interest in accordance with the profit allocation provisions of the joint venture agreement; because the Class B Interests are profits interests with an initial capital account of zero, no income is attributable to the non-controlling interest until the distribution thresholds described above have been satisfied.

The following table presents the amounts and classification of the assets and liabilities of Kati 2 JVCo (including intercompany and related party balances that are eliminated in consolidation):

(Dollars in thousands)		September 30, 2026
Current assets:		
Cash	$	317
Due from intercompany		362
Prepaid expenses and other current assets		305
Total current assets		984
Property, plant and equipment, net		5,030
Deposits on equipment		350
Total assets	$	6,364
Current liabilities:		
Accounts payable, related party	$	240
Accounts payable		661
Accrued liabilities		2,302
Other current liabilities, related party		478
Total current liabilities		3,681
Total liabilities	$	3,681

The assets of Kati 2 JVCo may be used only to settle obligations of Kati 2 JVCo, and the creditors of Kati 2 JVCo have no recourse to the general credit of the Company. The Company's maximum exposure to loss is limited to its funded capital contributions, its advance to Kati 2 JVCo and the unfunded capital commitments described above. The Company has not provided financial support to Kati 2 JVCo that it was not contractually required to provide, and it is not otherwise obligated to provide such support.

The acquisition of the Phase II property had not closed as of September 30, 2026, and the related approximate $19.1 million capital contribution had not been funded as of that date.

Dorothy 1A

Soluna DVSL JVCo, LLC (the "Dorothy 1A Project Company") owns a wind-powered data center campus in Silverton, Texas focused on bitcoin hosting. Prior to April 15, 2026, Soluna Digital Inc., a wholly owned subsidiary of the Company (the "Purchaser"), held the Class A Membership Interests in the Dorothy 1A Project Company and Soluna SLC Fund I Projects Holdco LLC (the "Seller"), an affiliate of Spring Lane Capital, held 85.4% of the issued and outstanding Class B Membership Interests. The Company consolidated the Dorothy 1A Project Company as its primary beneficiary under ASC 810, Consolidation, and reflected the Seller's Class B interest as a noncontrolling interest on the Company's consolidated balance sheet.

On April 15, 2026, the Purchaser entered into a Membership Interests Purchase Agreement with the Seller, pursuant to which the Purchaser acquired 85.4% of the issued and outstanding Class B Membership Interests in the Dorothy 1A Project Company for aggregate consideration of $16.5 million. At closing, the Purchaser paid $6.0 million in cash to the Seller; and the remaining $10.5 million was paid in June 2026. As such, the total consideration has been settled as of the date of these condensed consolidated financial statements.

Upon closing, the Purchaser owns 100% of the issued and outstanding membership interests of the Dorothy 1A Project Company. Because the Company was already the primary beneficiary of the Dorothy 1A Project Company and consolidated it prior to this transaction, the acquisition of the remaining noncontrolling interest was accounted for as an equity transaction. No gain or loss was recognized in the consolidated statements of operations. The carrying amount of the

noncontrolling interest was derecognized, and the difference between the consideration paid and the carrying value of the noncontrolling interest was recorded as an adjustment to additional paid-in capital attributable to the Company.

Following the closing, the Dorothy 1A Project Company continues to be consolidated as a wholly owned indirect subsidiary of the Company, and is no longer subject to VIE analysis.

Dorothy 1B

Soluna DV ComputeCo, LLC (the "Dorothy 1B Project Company") is focused primarily on proprietary bitcoin mining and data center hosting. Prior to May 19, 2026, the Purchaser held 51% of the issued and outstanding membership interests in the Dorothy 1B Project Company, and Navitas West Texas Investments SPV, LLC (the "Seller"), an affiliate of Navitas Advisors, LLC, held the remaining 49%. The Company consolidated the Dorothy 1B Project Company as its primary beneficiary under ASC 810, Consolidation, and reflected the Seller's 49% interest as a noncontrolling interest on the Company's consolidated balance sheet.

On May 19, 2026, the Purchaser entered into a Membership Interests Purchase Agreement (the "MIPA") with Navitas West Texas Investments SPV, LLC (the "Seller") and Navitas Advisors, LLC, pursuant to which the Purchaser acquired 49% of the issued and outstanding membership interests in the Dorothy 1B Project Company for aggregate cash consideration of approximately $8.8 million, paid in full at closing. The closing of the acquisition occurred simultaneously with the execution of the MIPA on May 19, 2026.

Upon closing, the Purchaser owns 100% of the issued and outstanding membership interests in the Dorothy 1B Project Company. Because the Company was already the primary beneficiary of the Dorothy 1B Project Company and consolidated it prior to this transaction, the acquisition of the remaining noncontrolling interest was accounted for as an equity transaction. No gain or loss was recognized in the consolidated statements of operations. The carrying amount of the noncontrolling interest was derecognized, and the difference between the consideration paid and the carrying value of the noncontrolling interest was recorded as an adjustment to additional paid-in capital attributable to the Company.

Following the closing, the Dorothy 1B Project Company continues to be consolidated as a wholly owned indirect subsidiary of the Company and is no longer subject to VIE analysis.

17. Segment Information

The Company applies ASC 280, *Segment Reporting*, in determining its reportable segments. The Company has adopted ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (ASU 2023-07), which requires disclosure of incremental segment information on an annual and interim basis, primarily through enhanced disclosures of significant segment expenses. Operating segments are aggregated into a reportable segment if the operating segments have similar quantitative economic characteristics and if the operating segments are similar in the following qualitative characteristics: (i) nature of products and services; (ii) nature of production processes; (iii) type or class of customer for their products and services; (iv) methods used to distribute the products or provide services; and (v) if applicable, the nature of the regulatory environment. The Company’s reportable segments are identified based on the types of service performed. The Company has four reportable segments: Cryptocurrency Mining, Data Center Hosting, Wind Energy Generation which was created on April 1, 2026 in relation to the Briscoe acquisition discussed in Note 5, and High-Performance Computing. In the third quarter of 2024, the Company initiated Soluna Cloud Services, a new business line to provide high performance computing services to support generative AI workstreams but exited active provision of these services during the first quarter of 2025. The Company's HPC business is now conducted through Soluna HPC, Inc., which is developing HPC data center campuses for lease to third-party customers, beginning with Project Kati 2 and Project Dorothy 3. As such, the Company's HPC business have begun to incur general and administrative expenses in 2026 relating to legal, business development and other outside services.

The guidance requires that segment disclosures present the measure(s) used by the Chief Operating Decision Maker (“CODM”) to decide how to allocate resources and for purposes of assessing such segments’ performance. The Company’s CODM is composed of several members of its senior leadership team directed by the CEO and CFO who use revenue and cost of revenues which formulate gross profit (loss), as well as total general and administrative expenses of the reporting segments to assess the performance of the business of our reportable operating segments and allocate resources. Operating profit (loss) is used to evaluate actual results against expectations, which are based on comparable prior results, current budget, and current forecast. Non-cash items of depreciation and amortization are included within both costs of sales and

general and administrative expenses, however only depreciation through the Company's site levels are evaluated for segment performance.

In the adoption of ASU 2023-07, the most significant provision was for the Company to disclose significant segment expenses (i.e.: costs of revenue) that are regularly provided to the CODM. Utility costs, wages and benefit related costs, facility and equipment costs, and depreciation costs at the site level were determined to be significant segment expenses. The CODM only reviews general and administrative expenses by site level as a whole, and not by significant expenses. No operating segments have been aggregated to form the reportable segments. The Company does not allocate all assets to the reporting segments as these are managed on an entity-wide basis. Therefore, the Company does not separately disclose the total assets of its reportable operating segments.

The Cryptocurrency Mining segment generates revenue from the cryptocurrency the Company earns through its Bitcoin mining activities, which is currently generated from Project Dorothy, Project Kati 1, and Project Sophie. The Data Center Hosting segment generated revenue from hosting services provided to third-party Bitcoin mining customers at the Company's data centers, which are currently generated from Project Sophie, Project Dorothy, and Project Kati. The Wind Energy Generation segment which was created with the Briscoe acquisition, sells power generated from owned wind turbines and also sells renewable energy credits. The High-Performance Computing Services segment may generate revenue from either the sale or lease of HPC assets (such as Project Ada which leased GPUs), or from HPC data centers to be leased to third-party HPC customers. This segment began generating revenue in December 2024, as Project Ada worked to build its customer base. With the termination of the HPE Agreement, revenue was minimal for the nine months ended September 30, 2025, and no revenue was generated for the three and nine months ended September 30, 2026. Beginning in 2026, Soluna HPC, Inc. has incurred general and administrative expenses, primarily legal, business development and other outside services, in connection with the development of Project Kati 2 and Project Dorothy 3.

The Company includes demand response revenue as a reconciling item of revenue and is not included within the four reportable segments. The Company utilizes its data centers to deliver demand response services to grid operators or utilities. Under these arrangements with a grid operator, the Company agrees to be available to ramp down a registered data center's power consumption to a specific target level. In exchange, the grid pays the Company a fee for this dispatch right, provided the Company can perform within certain parameters. The Company can be providing any type of service at the data centers whether it be Cryptocurrency Mining, Data Center Hosting, or HPC to generate demand response service revenue.

The following table details revenue, cost of revenues, and other operating costs for the Company's reportable segments for three months ended September 30, 2026 and 2025, and reconciles to net loss on the consolidated statements of operations:

For the three months ended September 30, 2026

(Dollars in thousands)	Cryptocurrency Mining	Data Center Hosting	Wind Energy Generation	High- Performance Computing Services	Total
Segment Revenue: Revenue from external customers	$ 1,853	$ 12,449	$ 594	$ —	$ 14,896
Intersegment revenue (b)	—	—	2,118	—	2,118
Total revenue from reportable segments	1,853	12,449	2,712	—	17,014
Briscoe Wind PPA elimination (b)					(2,118)
Demand response service revenue (a)					251
Total consolidated revenue					$ 15,147

(a) Demand response service revenue is included as a reconciling item of total revenue and not included as part of segment gross profit or loss.

(b) Intersegment eliminations primarily reflect the elimination of revenue recognized by Briscoe Wind Farm, LLC on electricity sales that are delivered, through regulated cooperative intermediaries acting as pass-through agents, to the Company's Dorothy data centers, and the corresponding elimination of the related power cost

recognized by the data center operations, as these transfers represent intra-entity transactions following the Company's acquisition of Briscoe on April 1, 2026.

(Dollars in thousands)	Cryptocurrency Mining	Data Center Hosting	Wind Energy Generation	High- Performance Computing Services	Total
Total revenue from reportable segments	$ 1,853	$ 12,449	$ 2,712	$ —	$ 17,014
Less: Segment cost of revenue					
Utility costs	1,219	7,272	—	—	8,491
Wages, benefits, and employee related costs	237	986	80	—	1,303
Facilities and Equipment costs	231	835	4,686	—	5,752
Cost of revenue- depreciation and accretion expense	612	1,466	997	—	3,075
Other cost of revenue*	139	614	254	—	1,007
Total segment cost of revenue	2,438	11,173	6,017	—	19,628
General and administrative expenses	29	699	348	1,405	2,481
Segment operating (loss) income	$ (614)	$ 577	$ (3,653)	$ (1,405)	$ (5,095)

* Other cost of revenue includes insurance, outside service costs and margins, and general costs.

For the three months ended September 30, 2025

(Dollars in thousands)	Cryptocurrency Mining	Data Center Hosting	High- Performance Computing Services	Total
Segment Revenue: Revenue from external customers	$ 2,769	$ 5,257	$ —	$ 8,026
Total revenue from reportable segments	2,769	5,257	—	8,026
Demand response service revenue (a)				389
Total consolidated revenue				$ 8,415

(a) Demand response service revenue is included as a reconciling item of total revenue and not included as part of segment gross profit or loss.

(Dollars in thousands)	Cryptocurrency Mining	Data Center Hosting	High- Performance Computing Services	Total
Total revenue from reportable segments	$ 2,769	5,257	$ —	$ 8,026
Less: Segment cost of revenue				
Utility costs	1,237	1,308	—	2,545
Wages, benefits, and employee related costs	167	665	—	832
Facilities and Equipment costs	243	556	—	799
Cost of revenue- depreciation	1,053	665	—	1,718
Other cost of revenue*	123	330	—	453
Total segment cost of revenue	2,823	3,524	—	6,347
General and administrative expenses	3	874	—	877
Segment operating (loss) income	$ (57)	$ 859	$ —	$ 802

* Other cost of revenue includes insurance, outside service costs and margins, and general costs.

The following table presents the reconciliation of segment operating income to net loss before taxes:

(Dollars in thousands)	For the three months ended September 30,	
	2026	2025
Segment operating (loss) income	$ (5,095)	$ 802
Reconciling Items:		
Elimination of intercompany costs	472	261
Other revenue (a)	251	389
General and administrative, exclusive of depreciation and amortization (b)	(22,188)	(6,831)
General and administrative, depreciation and amortization	(2,403)	(2,401)
Impairment on intangibles	—	—
Interest expense	(1,274)	(1,212)
Loss on debt extinguishment and revaluation, net	(5,729)	10,107
Other financing expense	(10)	(4,746)
Loss on sale of fixed assets and deposits on equipment, net	(65)	(780)
Fair value adjustment loss	—	(22,047)
Other income (loss), net	205	5
Loss before income taxes	$ (35,836)	$ (26,453)

(a) Demand response service revenue is included as a reconciling item of total revenue and not included as part of segment gross profit or loss.

(b) The reconciling general and administrative expense, exclusive of depreciation and amortization represent corporate and unallocated general and administrative expenses for the three months ended September 30, 2026 and 2025.

The following table details revenue, cost of revenues, and other operating costs for the Company's reportable segments for nine months ended September 30, 2026 and 2025, and reconciles to net income (loss) on the consolidated statements of operations:

For the nine months ended September 30, 2026

(Dollars in thousands)	Cryptocurrency Mining	Data Center Hosting	Wind Energy Generation	High- Performance Computing Services	Total
Segment Revenue: Revenue from external customers	$ 5,742	$ 31,790	$ 960	$ —	$ 38,492
Intersegment revenue (b)	—	—	4,271	—	4,271
Total revenue from reportable segments	5,742	31,790	5,231	—	42,763
Briscoe Wind PPA elimination (b)					(4,271)
Demand response service revenue (a)					1,109
Total consolidated revenue					$ 39,601

(a) Demand response service revenue is included as a reconciling item of total revenue and not included as part of segment gross profit or loss.

(b) Intersegment eliminations primarily reflect the elimination of revenue recognized by Briscoe Wind Farm, LLC on electricity sales that are delivered, through regulated cooperative intermediaries acting as pass-through agents, to the Company's Dorothy data centers, and the corresponding elimination of the related power cost recognized by the data center operations, as these transfers represent intra-entity transactions following the Company's acquisition of Briscoe on April 1, 2026.

(Dollars in thousands)	Cryptocurrency Mining	Data Center Hosting	Wind Energy Generation	High-Performance Computing Services	Total
Total revenue from reportable segments	$ 5,742	$ 31,790	$ 5,231	$ —	$ 42,763
Less: Segment cost of revenue					
Utility costs	3,392	16,300	—	—	19,692
Wages, benefits, and employee related costs	660	2,962	80	—	3,702
Facilities and Equipment costs	583	2,426	6,575	—	9,584
Cost of revenue- depreciation and accretion expense	2,659	3,979	2,050	—	8,688
Other cost of revenue*	336	1,694	618	—	2,648
Total segment cost of revenue	7,630	27,361	9,323	—	44,314
General and administrative expenses	112	2,052	681	1,987	4,832
Segment operating income (loss)	$ (2,000)	$ 2,377	$ (4,773)	$ (1,987)	$ (6,383)

* Other cost of revenue includes insurance, outside service costs and margins, and general costs.

Note: The nine months ended September 30, 2026 include approximately $582 thousand of general and administrative expenses that the Company previously reported in the Data Center Hosting segment for the six months ended June 30, 2026. These expenses have been reclassified to the High-Performance Computing Services segment to reflect the correct segment allocation. The reclassification changed only segment general and administrative expenses and segment operating income (loss). It had no effect on consolidated general and administrative expenses, operating loss or net loss.

For the nine months ended September 30, 2025

(Dollars in thousands)	Cryptocurrency Mining	Data Center Hosting	High- Performance Computing Services	Total
Segment Revenue: Revenue from external customers	$ 8,630	$ 10,795	$ 28	$ 19,453
Total revenue from reportable segments	8,630	10,795	28	19,453
Demand response service revenue (a)				1,057
Total consolidated revenue				$ 20,510

(a) Demand response service revenue is included as a reconciling item of total revenue and not included as part of segment gross profit or loss.

(Dollars in thousands)	Cryptocurrency Mining	Data Center Hosting	High-Performance Computing Services	Total
Total revenue from reportable segments	$ 8,630	$ 10,795	$ 28	$ 19,453
Less: Segment cost of revenue				
Utility costs	3,927	2,160	—	6,087
Wages, benefits, and employee related costs	588	1,668	7	2,263
Facilities and Equipment costs	701	1,448	—	2,149
Cost of revenue- depreciation	3,200	1,578	—	4,778
Other cost of revenue*	410	839	—	1,249
Total segment cost of revenue	8,826	7,693	7	16,526
General and administrative expenses	62	1,337	270	1,669
Impairment on fixed assets	—	12	—	12
Segment operating income (loss)	$ (258)	$ 1,753	$ (249)	$ 1,246

* Other cost of revenue includes insurance, outside service costs and margins, and general costs.

The following table presents the reconciliation of segment operating income (loss) to net income (loss) before taxes:

(Dollars in thousands)	For the nine months ended September 30,	
	2026	2025
Segment operating (loss) income	$ (6,383)	$ 1,246
Reconciling Items:		
Elimination of intercompany costs	1,232	708
Other revenue (a)	1,109	1,057
General and administrative, exclusive of depreciation and amortization (b)	(51,216)	(17,384)
General and administrative, depreciation and amortization	(7,204)	(7,207)
Impairment on intangibles	(70)	—
Interest expense	(5,922)	(3,246)
(Loss) gain on debt extinguishment and revaluation, net	(9,926)	10,658
Loss on sale of fixed assets and deposits on equipment	(618)	(802)
Fair value adjustment gain (loss)	246	(22,165)
Other financing expense	(579)	(5,203)
Other income (expense), net	1,798	(280)
Loss before income taxes	$ (77,533)	$ (42,618)

(a) Demand response service revenue is included as a reconciling item of total revenue and not included as part of segment gross profit or loss.

(b) The reconciling general and administrative expense, exclusive of depreciation and amortization represent corporate and unallocated general and administrative expenses for the nine months ended September 30, 2026 and 2025.

Concentrations

Excluding Bitcoin mining revenue earned through the Company's participation in a mining pool, demand response revenue and wind energy generation revenue, each of five customers accounted for more than 10% of the Company’s data center hosting revenue for the three months ended September 30, 2026. Together they represented approximately 86% of hosting revenue, and approximately 71% of the Company's total consolidated revenue. For the three months ended September 30, 2025, each of four customers accounted for more than 10% of hosting revenue. Together they represented approximately 92% of hosting revenue and approximately 58% of the Company's total consolidated revenue.

For the three and nine months ended September 30, 2026, approximately 73% and 91% of the Company's cryptocurrency mining revenue was generated from Project D1B, 12% and 4% from Project Sophie, 12% and 4% from Project Kati 1, and 3% and 1% from Project D1A. All of the Company's cryptocurrency mining revenue for the three and nine months ended September 30, 2025 was generated from Project Dorothy 1B.

For the three months ended September 30, 2026 and September 30, 2025, approximately 21% and 31% of the Company’s data center hosting revenue was generated from Project Dorothy 1A, 22% and 27% from Project Sophie, 36% and 42% from Project Dorothy 2, 5% and 0% from Project Dorothy 1B, and 16% and 0% from Project Kati 1, respectively.

Excluding Bitcoin mining revenue earned through the Company's participation in a mining pool, demand response revenue and wind energy generation revenue, each of five customers accounted for more than 10% of the Company’s data center hosting revenue for the nine months ended September 30, 2026. Together they represented approximately 88% of hosting revenue and approximately 70% of the Company's total consolidated revenue for the nine months ended September 30, 2026. For the nine months ended September 30, 2025, each of four customers accounted for more than 10% of hosting revenue. Together they represented approximately 91% of hosting revenue and approximately 48% of the Company's total consolidated revenue.

For the nine months ended September 30, 2026 and September 30, 2025, approximately 24% and 43% of the Company's data center hosting revenue was generated from Project Dorothy 1A, 20% and 34% from Project Sophie, 39% and 22% from Project Dorothy 2, 3% and 0% from Project Dorothy 1B, and 14% and 0% from Project Kati 1, respectively.

18. Subsequent Events

ATM

Subsequent to September 30, 2026 and through the date of issuance of these condensed consolidated financial statements, the Company has issued 2,645,121 shares of common stock pursuant to the ATM Agreement for net proceeds of approximately $1.8 million. See Note 11.

Increase in Authorized Shares of Common Stock

On October 16, 2026, the Company held its 2026 Annual Meeting of Stockholders at which, among other matters of business acted upon, the Company's stockholders approved an amendment to the Company's Articles of Incorporation, as amended, to increase the Company's authorized shares of Common Stock, from 375,000,000 shares to 1,000,000,000 shares (the "Certificate of Amendment"). On October 16, 2026, the Company filed the Certificate of Amendment with the Secretary of State of the State of Nevada and such amendment became effective immediately.

Applied Digital Joint Venture

On October 20, 2026, the Company entered into a Subscription Agreement (the "Subscription Agreement") with Soluna HPC D3 STX HoldCo, LLC, a Delaware limited liability company and an indirect wholly owned subsidiary of the Company ("Soluna Investor"), Soluna STX Borrower HoldCo, LLC, a Delaware limited liability company ("Soluna STX"), APLD Intermediate HoldCo, LLC (the "Applied Guarantor"), a Delaware limited liability company and direct, wholly owned subsidiary of Applied Digital Corporation, a Nevada corporation ("Applied"), APLD STX Holdings LLC, a Delaware limited liability company and an indirect wholly owned subsidiary of Applied ("Applied Investor"), STX JV Holdings LLC, a Delaware limited liability company and an indirect wholly owned subsidiary of Applied (the "Project Company"), and Soluna DV Services, LLC, a Nevada limited liability company and wholly owned subsidiary of the Company (the "Ground Lessee"), to form a jointly owned company to, among other things, acquire, own, construct, develop, operate, manage, lease and monetize the initial phase of a data center facility known as "Dorothy 3A," consisting of approximately 75 megawatts of gross capacity, or 50 megawatts of Critical I.T. capacity, in Briscoe County, Texas (the "Project").

Pursuant to the Subscription Agreement, at the closing (the "Closing") of the transactions contemplated by the Subscription Agreement, Soluna Investor is obligated to subscribe for and acquire common units representing 49% of the issued and outstanding membership interests of the Project Company, and Applied Investor is obligated to subscribe for and acquire common units representing 51% of the issued and outstanding membership interests of the Project Company. As consideration for issuance of Project Company common units to Soluna Investor, Ground Lessee, as landlord, and STX-01 LLC, a wholly owned subsidiary of the Project Company, as tenant, will enter into a Ground Sublease Agreement of 99 years, with an attributed value to Soluna Investor, pursuant to the Subscription Agreement, of approximately $18.8 million. Additionally, Soluna STX will contribute STX JV Intermediate Holdings, LLC, a newly formed holding company and wholly owned subsidiary of Soluna STX, to the Project Company. As consideration for issuance of Project Company common units to Applied Investor, Applied Investor will contribute to the Project Company an amount in cash equal to approximately $19.5 million, subject to a dollar-for-dollar credit against such amount for amounts actually paid by Applied Investor or its affiliates prior to the Closing for certain development work performed at the site of the Project or the procurement of certain long lead-time equipment on behalf of the Project Company. Soluna Investor's and Applied Investor's obligations under the Subscription Agreement are guaranteed respectively by the Company and Applied Guarantor. The Closing is expected to occur on or before December 1, 2026, subject to the satisfaction or waiver of certain conditions set forth in the Subscription Agreement. If the Closing fails to occur and the Subscription Agreement is terminated, the Soluna Investor will be obligated to reimburse the Applied Investor for eighty percent (80%) of certain development work related to the Project and certain equipment necessary for the development of the Project, up to $45.0 million.

The Subscription Agreement contemplates that, at the Closing, the Company will issue to Applied or an affiliate thereof in a private placement a common stock warrant to purchase up to 7,644,444 shares of common stock at an exercise price of $0.74 per share.

As of September 30, 2026, the Company had incurred approximately $1.3 million of legal and other transaction costs directly attributable to the Transactions. The Company expects to account for its 49% interest in the Project Company

under the equity method upon Closing, and it considered the Closing probable as of September 30, 2026. Accordingly, these costs have been deferred and are included in prepaid expenses and other current assets in the condensed consolidated balance sheet as of September 30, 2026, rather than in general and administrative expenses. Upon Closing, the deferred costs will be included in the initial carrying amount of the Company's investment in the Project Company in accordance with ASC 323-10-30-2. If the Closing does not occur, the deferred costs will be expensed in the period in which the Company determines that the Closing is no longer probable.

Generate Payoff

On October 22, 2026, Soluna DV Wind SponsorCo, LLC prepaid in full the Tranche C Loans, for an aggregate prepayment amount of approximately $15.2 million, inclusive of $0.1 million of accrued and unpaid interest, a prepayment premium of approximately $3.4 million, $11.7 million of the outstanding principal balance and all other amounts then due under the Amended Credit Agreement. As such, the Company has repaid the Generate loan facility in full retiring the Generate portion of debt and released the liens on project assets as of the date of these condensed financial statements. See Note 10.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Unless the context requires otherwise in these condensed consolidated financial statements, the terms "SHI," "Soluna," the "Company," "we," "us," and "our" refer to Soluna Holdings, Inc. together with its consolidated subsidiaries, "SDI" refers to Soluna Digital, Inc., "Soluna Cloud" or "Cloud" refer to Soluna Cloud, Inc., "SEI" refers to Soluna Energy, Inc., "Soluna HPC" refers to Soluna HPC, Inc., and "Soluna Wind" refers to Soluna Wind Holdings, Inc. Other trademarks, trade names, and service marks used in this Quarterly Report on Form 10-Q are the property of their respective owners.

The following discussion of our financial condition and results of operations should be read in conjunction with the Condensed Consolidated Financial Statements and the related notes thereto included in Item 1 of Part I of this Quarterly Report on Form 10-Q and the audited Consolidated Financial Statements and the related notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2025 contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission (the "SEC") on March 30, 2026 (the "Annual Report").

In addition to historical information, the following discussion contains forward-looking statements, which involve risk and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements. Important factors that could cause actual results to differ include those set forth in Part I Item 1A-Risk Factors in our Annual Report and elsewhere in this Quarterly Report on Form 10-Q. Readers should not place undue reliance on our forward-looking statements. These forward-looking statements speak only as of the date on which the statements were made and are not guarantees of future performance. Except as may be required by applicable law, we do not undertake or intend to update any forward-looking statements after the date of this Quarterly Report on Form 10-Q. Please see "Statement Concerning Forward-Looking Statements" below.

Overview and Recent Developments

Our mission is to make renewable energy a global superpower, using computing as a catalyst.

We develop, own, and operate digital infrastructure for energy-intensive computing applications by co-locating data centers with renewable energy power plants. We refer to this model as Renewable Computing™.

Renewable Computing™ is designed to address two converging market conditions: increasing curtailment of renewable energy generation and growing demand for power-intensive computing applications, including high-performance computing ("HPC") and Bitcoin mining. By locating our data centers near renewable generation assets, we seek to convert underutilized energy into economically productive computing capacity.

We utilize two distinct data center designs to serve different computing markets. For our Bitcoin mining and hosting business, we deploy a data center design optimized for flexible, large-scale digital asset operations. For HPC workloads, we are developing an AI-ready data center design intended to support higher-density compute environments and customer requirements associated with advanced computing infrastructure.

Our expansion into HPC data center development is the evolution and growth of our Renewable Computing™ strategy. Since we began describing our business as the development of green data centers for computing-intensive, batchable applications, which we have described as including cryptocurrency mining, AI and machine learning, our objective has been to use computing as a catalyst for renewable energy. Our Bitcoin mining and hosting operations allowed us to monetize curtailed energy, secure power and land positions at renewable generation sites, and build the development, construction and operating capabilities a computing campus requires. We are now applying those capabilities to dedicated HPC campuses at Project Kati 2 and Project Dorothy 3, which we are developing through Soluna HPC, Inc. for lease to hyperscale and AI-focused cloud customers.

Our facilities are managed by MaestroOS™ ("MaestroOS"), our proprietary software platform, which analyzes factors such as local power pricing, weather conditions, grid demand, and market signals to optimize operating performance and power consumption across our operating assets.

Our business model is intended to enhance the monetization of renewable generation assets while supporting scalable digital infrastructure growth. We work with renewable energy developers and power partners to access low-cost or otherwise constrained energy resources. Our data centers operate on a behind-the-meter basis, enabling them to draw

electricity directly from the co-located renewable power plant and from the grid through the plant's existing interconnection and substation infrastructure. By accessing both sources of power, our facilities are able to meet their energy needs while maintaining operating flexibility, which we believe also improves power economics. In certain markets, our facilities also participate in demand response programs that support grid reliability.

A key element of our strategy is the co-location of data centers directly with renewable generation assets. By building behind the meter at renewable generation sites, we are able to access both on-site generation and existing grid interconnection infrastructure, which we believe can improve power economics and accelerate development timelines.

With a repeatable development approach and an expanding pipeline of projects, we are seeking to scale a differentiated digital infrastructure platform that supports renewable power utilization, flexible computing capacity and long-term value creation. We are also pursuing this through increasing vertical integration across the renewable computing value chain. In April 2026, we acquired the approximately 150 MW Briscoe Wind Farm, which powers our Dorothy campus. During the second quarter of 2026, we acquired the remaining equity interests in Projects Dorothy 1A and Dorothy 1B. As a result, we now own the wind generation asset, the data center infrastructure it powers, the land for our planned Dorothy 3 HPC campus and MaestroOS, the software that manages the sites. We believe this integration, together with the interconnection capacity and operating experience built through our Bitcoin business, improves our control over power cost and availability and shortens the time required to deliver energized capacity to HPC customers.

We organize our business into three lines. Soluna Digital, our Bitcoin hosting and mining business, generates substantially all of our current revenue, and we expect it to continue to fund a portion of our operations. Our development activity, capital commitments and management focus, however, are now directed primarily to Soluna HPC, which we expect to be the principal driver of our long-term growth:

- **Soluna HPC** — the development of HPC-ready data center campuses for lease, beginning with Project Kati 2 and Project Dorothy 3, conducted through Soluna HPC, Inc. Soluna HPC has not yet generated revenue.
- **Soluna Digital** — Bitcoin data center hosting, proprietary Bitcoin mining and demand response services at our five operating data centers (Projects Sophie, Dorothy 1A, Dorothy 1B, Dorothy 2 and Kati 1), conducted primarily through Soluna Digital, Inc. ("SDI").
- **Wind Energy Generation** — the sale of power and renewable energy credits from the Briscoe Wind Farm, which we acquired on April 1, 2026. Power that Briscoe sells to our Dorothy data centers under its PPA is eliminated in consolidation, so consolidated wind energy generation revenue reflects only sales to third parties. See "Wind Energy Generation" below and Note 17.

Revenue by business line was as follows:

	Three months ended September 30,		Nine months ended September 30,	
(Dollars in thousands)	**2026**	**2025**	**2026**	**2025**
Data center hosting	12,449	5,257	31,790	10,795
Proprietary mining	1,853	2,769	5,742	8,630
Demand response	251	389	1,109	1,057
Soluna Digital	**14,553**	**8,415**	**38,641**	**20,482**
Wind Energy Generation (external)	594	—	960	—
Soluna Cloud (legacy HPC services)	—	—	—	28
Total revenue	**15,147**	**8,415**	**39,601**	**20,510**
Soluna Digital % of total	96 %	100 %	98 %	100 %

Soluna HPC

Soluna HPC develops AI-ready data center campuses to lease to hyperscale cloud providers and AI-focused cloud providers ("Neocloud" providers), and over time to enterprise customers. We are designing and building for higher-density compute and for the power, cooling, redundancy and network requirements of HPC tenants.

Soluna HPC has not yet generated revenue. Its segment general and administrative expenses were $1.4 million and $2.0 million for the three and nine months ended September 30, 2026 (Note 17). Our HPC portfolio consists of two Texas campuses co-located with wind generation, with planned capacity of approximately 650 MW of critical IT ("CIT") load:

Campus	Location	Planned CIT capacity	Structure	Status at September 30, 2026	Next milestones
Kati 2	Willacy County, TX	Approximately 350 MW (Phase I ~100 MW; Phase II ~250 MW)	Joint venture with Metrobloks; Soluna holds 100% of the Class A interests and is manager (consolidated VIE, Note 16)	Phase I land owned; general contractor onboarded; design ~50% complete; exclusive LOI with a prospective tenant; LOIs for long-lead electrical equipment	Close Phase II land; definitive lease; project financing
Dorothy 3	Briscoe County (Silverton), TX	Up to 300 MW; first phase (Dorothy 3A) 50 MW CIT / 75 MW gross	First phase through a joint venture with Applied Digital (Soluna 49% / Applied 51%), expected to close by December 1, 2026, extendable to December 31, 2026	Approximately 400 acres adjacent to D1 and D2; environmental, survey and fiber studies in progress; schematic design and master planning underway	Close the Applied joint venture; definitive tenant lease

Project Kati 2

On June 3, 2026, our subsidiary Soluna HPC KK II HoldCo, LLC (the "Soluna Member") entered into a joint venture agreement with DC Kati Venture LLC (the "Metrobloks Member"), an affiliate of Metrobloks, LLC, for Soluna MB KK II JVCo, LLC ("Kati 2 JVCo"). The agreement replaced a non-binding memorandum of understanding. The Soluna Member holds all of the Class A interests and manages the joint venture. The Metrobloks Member holds profits-only Class B interests. At formation, the Soluna Member contributed the Phase I property, a purchase agreement for the Phase II property, pre-formation development costs and $2.0 million of cash, for a capital account of approximately $6.6 million. The Soluna Member has committed approximately $19.1 million to acquire the Phase II property, which had not closed as of September 30, 2026, and up to $2.0 million for operating expenses. Distributions go first to return capital, then to a 14% IRR, then $100 thousand per gross PPA MW to the Soluna Member, and are split 50/50 after that. See Note 16.

We began discussions with potential tenants in December 2025. In June 2026, we signed a letter of intent, including exclusivity, with a prospective tenant and began lease negotiations. We have selected architectural and engineering firms and onboarded a general contractor, and detailed design is approximately 50% complete. We have also signed letters of intent with key electrical equipment suppliers to secure long-lead procurement. We can give no assurance that we will enter into a definitive lease with this or any prospective tenant, or as to the terms of any such lease.

Project Dorothy 3

Project Dorothy 3 is our planned HPC campus on approximately 400 acres adjacent to Dorothy 1 and Dorothy 2, which we purchased in August 2026. It is designed to draw power from the Briscoe Wind Farm and the grid through behind-the-meter infrastructure. Project Grace, our 2 MW AI pilot with Siemens at Dorothy 2, has been folded into the Dorothy 3 campus plan. We are also coordinating with the interconnecting utility on expanded load at the campus, including the potential conversion of existing Bitcoin load to HPC use.

On October 20, 2026, we entered into a Subscription Agreement with affiliates of Applied Digital Corporation ("Applied") to form a jointly owned company to develop the first phase of Dorothy 3. That phase is approximately 75 MW of gross capacity, or 50 MW of CIT capacity. At closing, Soluna will contribute a 99-year ground sublease (attributed value of approximately $18.8 million) and a holding company for 49% of the project company. Applied will contribute approximately $19.5 million of cash for the remaining 51%. The contemplated ancillary agreements include a data center lease with ChronoScale Holdings Corporation or an affiliate. Closing is subject to conditions, including title policies and final transaction documents. The county tax abatement condition was satisfied on November 9, 2026, when the the Briscoe County Commissioners Court approved a Chapter 312 tax abatement agreement for Phase 1 of Dorothy 3. Closing is expected to occur by December 1, 2026, which may be extended to no later than December 31, 2026. If the closing does

not occur, we would be obligated to reimburse Applied for 80% of its funded development costs, up to $45 million, and we have guaranteed that obligation. See Note 18.

Power, interconnection, capital and organization updates

Our ownership of the Briscoe Wind Farm and of 100% of the Dorothy 1 data centers gives us control over the power supporting Dorothy 3. We believe this shortens the time required to deliver energized capacity to HPC customers. In September 2026, ERCOT conditionally classified 166 MW at our Kati campus and 100 MW at our Dorothy campus as Base Load in its Batch Zero large-load interconnection process. These classifications remain subject to ERCOT's verification.

Developing AI-ready capacity at scale requires capital substantially in excess of what our Bitcoin operations require. As of September 30, 2026, we were committed to approximately $2.3 million of capital expenditures, primarily for Project Kati 2 and Dorothy 3 (Note 12), in addition to the Kati 2 capital commitments and letters of intent described above. We have engaged an investment bank to assist with capital formation for Project Kati 2. We continue to evaluate project-level equity, debt and joint venture structures, such as the Applied joint venture. In July 2026, we appointed Ryan Carver, previously Senior Director, AI Construction & Site Development at Microsoft, as Chief Development Officer to lead the growth of our HPC business.

Soluna Digital

Soluna Digital operates approximately 206 MW of Bitcoin data center capacity at five sites in Kentucky and Texas. The business generates cash flow from our existing capacity and holds power positions that we may convert over time to HPC use.

Hosting customers contract for capacity, generally for 12 to 24 months, under one of three structures: a fixed fee based on energy consumed; a share of the customer's mining profits, with power costs generally passed through; or a fixed fee for managed mining capacity and hashrate. Beginning in the third quarter of 2026, we also operate a co-mining arrangement at Project Kati 1, under which the customer provides the mining equipment and we share the mining proceeds. We also mine Bitcoin for our own account through mining pools and convert mined Bitcoin to U.S. dollars on receipt. Our Texas sites participate in ERCOT demand response programs, under which we are paid to reduce load when the grid operator calls on us, provided we meet uptime and availability thresholds. MaestroOS coordinates mining, hosting and demand response activity across the sites.

Hosting revenue is concentrated. Five customers accounted for 86% of hosting revenue and 71% of total revenue for the three months ended September 30, 2026, and 88% and 70%, respectively, for the nine months. Profit-share hosting revenue and proprietary mining revenue vary with hashprice, which declined 37% between the comparable quarters. The next Bitcoin halving, expected in April 2028, will reduce the Block Reward.

The Dorothy consolidated campus (98 MW, D1 and D2) draws power from the Briscoe Wind Farm and is registered in ERCOT's Demand Response Services program. With the 2026 acquisitions of the remaining interests in D1A and D1B, we own 100% of both the Dorothy 1 data centers and the wind farm that powers them.

Wind Energy Generation

On April 1, 2026, we acquired 100% of Briscoe Wind Farm, LLC, which owns an approximately 150 MW wind generation project in Briscoe and Floyd Counties, Texas, adjacent to our Dorothy campus. The base purchase price was approximately $53.0 million. The acquisition gives us ownership of both the Dorothy data centers and the renewable source that powers them.

Briscoe earns merchant revenue from wholesale sales at its nodal settlement point, PPA revenue and renewable energy credits. Briscoe's gross revenue was approximately $2.7 million and $5.2 million for the three and nine months ended September 30, 2026. Of these amounts, approximately $2.1 million and $4.3 million were PPA sales delivered to our Dorothy sites, which are eliminated in consolidation together with the related power cost of Soluna Digital. Briscoe can be subject to negative pricing at its node because of transmission congestion in the ERCOT West Hub region.

Operations and Project Pipeline

As of September 30, 2026, our operating, HPC and development projects were as follows:

Project	Location	MW	Power source	Intended use	Status
Operating					
Soluna Digital (5 sites)	KY and TX	206	Wind / grid	Bitcoin hosting and mining	Operating
Early works construction					
Kati 2	Willacy County, TX	350	Wind	HPC	Early works
Dorothy 3	Silverton, TX	300	Wind	HPC	Early works
Planning and development					
Rosa	Snyder, TX	242	Wind (242 MW)	Bitcoin hosting / HPC	Power term sheet; land term sheets
Hedy	Cameron County, TX	198	Wind (198 MW)	HPC	Power term sheet; negotiating PPA
Ellen	Cameron County, TX	145	Wind (145 MW)	HPC	Power term sheet; PPA being drafted; phased development
Annie	Lamar, TX	74	Solar (114 MW)	Bitcoin hosting / HPC	Power term sheet; PPA being drafted
Fei	Childress County, TX	240	Solar (240 MW)	HPC	Power term sheet; land, PPA and ERCOT interconnection planning
Gladys	Nueces County, TX	150	Wind (226 MW)	Bitcoin hosting / HPC	Power term sheet; land, PPA and ERCOT interconnection planning
Total		**1,905**			

Our total project pipeline is approximately 6.3 GW. The pipeline includes our operating sites, our early works construction projects, our projects under planning and development, discussed above and approximately 4.4 GW of additional renewable energy-powered data center opportunities in earlier stages of evaluation and development.

Capital partners

We fund our projects through public equity offerings, project-level equity and debt. Spring Lane Capital ("SLC") is our principal project-level equity partner and holds Class B interests in Dorothy 2 and Kati 1 (Note 16). Our subsidiaries also have a term loan from Galaxy Digital, LLC, with approximately $3.0 million of principal outstanding as of September 30, 2026; it was amended on August 14, 2026 to extend its maturity to March 2031 (Note 10). We raise equity through our ATM Agreement with H.C. Wainwright & Co., LLC and our standby equity purchase agreements with YA II PN, Ltd. (see Liquidity and Capital Resources). On October 22, 2026, we repaid the Generate credit facility in full, and Generate released its liens on our project assets (Note 10).

Our Growth Strategy

For the remainder of 2026 and into 2027, we are focused on four priorities:

- **Develop HPC campuses:** close the Applied joint venture at Dorothy 3, sign a definitive tenant lease at Kati 2, and advance both campuses to shovel-ready and tenant-ready status.
- **Capital formation:** fund AI development through project-level equity, debt and strategic joint ventures while maintaining balance sheet flexibility.
- **Operate Soluna Digital for optimization:** improve uptime, efficiency and cost discipline across our 206 MW of operating capacity, and convert load to HPC use where our power position supports it.
- **Advance the pipeline:** move pipeline projects to shovel-ready status and secure behind-the-meter access to renewable power with accelerated speed to power.

Recent Developments

Applied Digital Joint Venture. On October 20, 2026, we entered into a Subscription Agreement with affiliates of Applied to form a jointly owned company for the first phase of Project Dorothy 3. See "Soluna HPC — Project Dorothy 3" above and Note 18.

Repayment of Generate Credit Facility. On October 22, 2026, we repaid all remaining borrowings under the Generate credit facility, approximately $15.2 million including a prepayment premium of approximately $3.4 million. Generate released its liens on our project assets. See Note 10.

Increase in Authorized Shares and Director Election. At our 2026 annual meeting of stockholders on October 16, 2026, our stockholders approved an increase in our authorized common stock from 375,000,000 to 1,000,000,000 shares, effective the same day, and elected Dan Golding to our Board of Directors. Mr. Golding has more than 30 years of data center and digital infrastructure experience, including leadership roles at Google and Iron Mountain, and has served on our Advisory Board since November 2023.

Consolidated Results of Operations (unaudited)

Consolidated Results of Operations (unaudited) for the Three Months Ended September 30, 2026 Compared to the Three Months Ended September 30, 2025.

The following table summarizes changes in the various components of our net loss during the three months ended September 30, 2026 compared to the three months ended September 30, 2025.

(Dollars in thousands)	Three months ended September 30, 2026	Three months ended September 30, 2025	$ Change	% Change
Cryptocurrency mining revenue	$ 1,853	$ 2,769	$ (916)	(33)%
Data hosting revenue	12,449	5,257	7,192	137 %
Wind energy generation revenue	594	—	594	— %
Demand response service revenue	251	389	(138)	(35)%
Operating costs and expenses:				
Cost of cryptocurrency mining revenue, exclusive of depreciation	1,396	1,708	(312)	(18)%
Cost of data hosting revenue, exclusive of depreciation	7,547	2,660	4,887	184 %
Cost of wind energy generation revenue, exclusive of depreciation	5,020	—	5,020	— %
Cost of cryptocurrency mining revenue- depreciation	612	1,053	(441)	(42)%
Cost of data hosting revenue- depreciation	1,466	665	801	120 %
Cost of wind energy generation revenue- depreciation and accretion	997	—	997	— %
General and administrative expenses, exclusive of depreciation and amortization	24,669	7,708	16,961	220 %
Depreciation and amortization associated with general and administrative expenses	2,403	2,401	2	— %
Operating loss	(28,963)	(7,780)	(21,183)	272 %
Other income (expense), net	205	5	200	4,000 %
Interest expense	(1,274)	(1,212)	(62)	5 %
Other financing expense	(10)	(4,746)	4,736	(100)%
Loss on sale of fixed assets and deposits on equipment	(65)	(780)	715	(92)%
Fair value adjustment loss	—	(22,047)	22,047	— %
(Loss) gain on debt extinguishment and revaluation, net	(5,729)	10,107	(15,836)	— %
Loss before income taxes	(35,836)	(26,453)	(9,383)	35 %
Income tax benefit, net	1,507	666	841	126 %
Net loss	(34,329)	(25,787)	(8,542)	33 %
Net loss attributable to non-controlling interest, net	5,655	1,831	3,824	209 %
Net loss attributable to Soluna Holdings, Inc.	$ (28,674)	$ (23,956)	$ (4,718)	20 %

The following table summarizes revenues and costs of revenues by business category during the three months ended September 30, 2026 (Note- there was no HPC Services revenue or costs for the three months ended September 30, 2026, as such we excluded from table below):

	Soluna Digital				Soluna DV Wind	Briscoe PPA eliminations	
(Dollars in thousands)	Proprietary Mining	Data Hosting	Other	Soluna Digital Total	Wind Energy Generation		Total
Total Revenue	$ 1,853	$ 12,449	$ 251	$ 14,553	$ 2,712	$ (2,118)	$ 15,147
Less:							
Cost of revenue, exclusive of depreciation and accretion	1,749	9,312	—	11,061	5,020	(2,118)	13,963
Cost of revenue- depreciation and accretion	612	1,466	—	2,078	997	—	3,075
Total cost of revenue	2,361	10,778	—	13,139	6,017	(2,118)	17,038
Gross (loss) profit	$ (508)	$ 1,671	$ 251	$ 1,414	$ (3,305)	$ —	$ (1,891)

The following table summarizes the revenues and costs of revenues by business category during the three months ended September 30, 2025 (Note- there was no HPC Services revenue or costs for the three months ended September 30, 2025, as such we excluded from table below):

	Soluna Digital			
(Dollars in thousands)	Proprietary Mining	Data Hosting	Other	Soluna Digital Total
Total revenue	$ 2,769	$ 5,257	$ 389	$ 8,415
Less:				
Cost of revenue, exclusive of depreciation	1,708	2,660	—	4,368
Cost of revenue- depreciation	1,053	665	—	1,718
Total cost of revenue	2,761	3,325	—	6,086
Gross profit	$ 8	$ 1,932	$ 389	$ 2,329

Cryptocurrency Mining Revenue. Proprietary cryptocurrency mining revenue decreased 33% for the three months ended September 30, 2026 compared to the three months ended September 30, 2025, driven by lower realized pricing. Average hashprice declined 37%, from $55.96 to $35.06, reflecting growth in average network difficulty and a decline in the average price of Bitcoin between the comparable periods. Average deployed self-mining hashrate increased 7%, from 569 PH/s to 611 PH/s, as proprietary mining that began at Project Sophie, Project Kati 1 and Project Dorothy 1A in 2026 more than offset a 26% decline at Project Dorothy 1B (569 PH/s to 422 PH/s), reflecting the conversion of proprietary rack space to hosting capacity. Revenue from Project Kati 1, including proceeds under its co-mining arrangement, is included in proprietary mining revenue.

Data Hosting Revenue. Hosting revenue increased 137% for the three months ended September 30, 2026 compared to the three months ended September 30, 2025, or 55% exclusive of the electricity cost presentation treatment of approximately $4.3 million discussed below. Volume growth contributed $3.0 million of favorable variance and a service agreement contributed $1.1 million, including approximately $870 thousand of nonrecurring revenue from the KULR contract termination discussed below, partially offset by $1.3 million of unfavorable pricing, with the remaining $0.1 million attributable to other items, net.

The volume increase reflects capacity additions across the portfolio. Project Dorothy 2, which was in the early stages of energization and generated minimal hosting revenue in the prior-year period, contributed approximately $1.1 million of the increase. Project Dorothy 1A contributed approximately $1.0 million of the increase. Project Kati 1, which commenced hosting operations in 2026, contributed approximately $0.5 million, and Project Dorothy 1B, which began providing hosting services in 2026, contributed approximately $0.7 million. These increases were partially offset by a $0.3 million decline at Project Sophie. Average hosted hashrate under management increased 74%, from 2,587 PH/s to 4,507 PH/s, and megawatt-hours delivered to hosting customers increased 70%. Volume growth also reflects fixed supplemental payments under profit-share arrangements, which began in the third quarter of 2025 and contributed approximately $2.4 million in the third quarter of 2026 compared to approximately $930 thousand in the prior-year period.

The unfavorable price variance was concentrated in profit-share arrangements, under which our share of customer mining proceeds varies with hashprice. Average hashprice declined 37% between the comparable periods, reducing profit-share revenue by $1.3 million notwithstanding a 74% increase in hosted hashrate.

Also, in the second quarter of 2026, we began recording electricity costs incurred as part of providing performance obligations to our customers within the data hosting revenue financial statements caption and associated electricity costs within the cost of data hosting revenue, exclusive of depreciation financial statement caption on the statement of operations. These electricity costs are subsequently passed on to the customer with no mark-up. The effect of this presentation change increased data hosting revenue and cost of data hosting revenue, exclusive of depreciation, by approximately $4.3 million for the three months ended September 30, 2026. See Note 2 for details.

In addition, we had a contract termination with KULR Technology Group, Inc. ("KULR") during the third quarter of 2026, which contributed approximately $870 thousand in accelerated revenue. In August 2026, our subsidiary Soluna SW, LLC and KULR entered into a termination agreement ending the Bitcoin Mining Lease Agreement that commenced on October 31, 2025, terminating the agreement effective as of July 31, 2026. Under the termination agreement, all amounts KULR previously paid, including the $1.1 million initial payment, are non-refundable and remain with us. KULR agreed to pay a termination fee of $150 thousand. The miners remain our property, and bitcoin mining proceeds from the miners after the termination date belong to us. Before the termination, we deferred the initial payment as a contract liability and recognized it as revenue over the 730-day term of the agreement, together with the related financing component. Because we have no remaining performance obligation to KULR and the consideration received is non-refundable, we recognized the remaining contract liability of approximately $720 thousand as revenue in the three months ended September 30, 2026 in accordance with ASC 606. This amount would otherwise have been recognized ratably through October 31, 2027. Revenue for the three and nine months ended September 30, 2026 includes this nonrecurring acceleration and $150 thousand termination fee contributing to the increase in data hosting revenue.

Wind Energy Generation Revenue: In relation to the acquisition of Briscoe in April 2026, we have added a new revenue stream: wind energy generation revenue. Briscoe Wind has gross revenue of approximately $2.7 million for the three months ended September 30, 2026, however since approximately $2.1 million of PPA revenue are used at the Company's Dorothy sites, the PPA revenue is eliminated on the condensed consolidated financial statements, which also decreases the cost of revenue for proprietary mining and data center hosting. At the time of the acquisition, 10 of 81 wind turbines were

not operating and repairs to gearboxes and main bearings were initiated, partially funded with proceeds set aside at closing. The repairs continued into the third quarter of 2026. The primary drivers of Briscoe's operating results during the period are revenue from the GSEC Power Purchase Agreement and from wholesale energy sales into the ERCOT market. As we acquired Briscoe in the second quarter of 2026, no comparable revenue was noted.

Demand Response Service Revenue: Demand response service revenue decreased during the three months ended September 30, 2026, compared to the same period in 2025, which was due to the Dorothy sites not meeting program performance goals and in return lower revenue generated, offset with an increase at Project Kati 1 where demand response services began in 2026.

Cost of Cryptocurrency Mining Revenue, exclusive of depreciation*:* Cost of cryptocurrency mining revenue includes direct utility costs, site overhead expenses, and overhead costs attributable to the operations of our cryptocurrency mining facilities in Texas.

The decrease in the cost of cryptocurrency mining revenue for the three months ended September 30, 2026, compared to the same period in 2025, was primarily driven by lower electricity consumption and associated operating expenses, reflecting a reduction in total power utilization during the period. In addition, D1B began hosting services and was generating lower proprietary mining power, however D1B's decline was offset by D1A, Project Sophie, and Project Kati 1 began mining services which increased costs by approximately $441 thousand. Following the Briscoe acquisition, energy that our Dorothy projects purchased from the Briscoe Wind Farm is an intercompany cost that is eliminated in consolidation.

Cost of Data Hosting Revenue, exclusive of depreciation: Cost of data hosting revenue includes direct utility costs, site overhead expenses, and overhead costs attributable to the operations of data hosting facilities in Kentucky and Texas.

Cost of data hosting increased for the three months ended September 30, 2026, compared to the same period in 2025. This increase was primarily driven by the initial energization of the D2 facility during the second quarter of 2025 and the subsequent increase in MWs capacity and associated operating costs in 2026, in addition to the initial energization of Project Kati during the first quarter of 2026, for which no comparable costs were associated in the prior year. Project Dorothy 1B also began hosting services, therefore increasing costs in relation to data hosting for the three months ended September 30, 2026.

Also, in the second quarter of 2026, we began recording electricity costs incurred as part of providing performance obligations to our customers within the data hosting revenue financial statements caption and associated electricity costs within the cost of data hosting revenue, exclusive of depreciation financial statement caption on the statement of operations. These electricity costs are subsequently passed on to the customer with no mark-up. The effect of this presentation change increased data hosting revenue and cost of data hosting revenue, exclusive of depreciation, by approximately $4.3 million for the three months ended September 30, 2026. See Note 2 for details.

Following the Briscoe acquisition, energy that our Dorothy projects purchased from the Briscoe Wind Farm is an intercompany cost that is eliminated in consolidation.

Cost of Wind Energy Generation Revenue: Cost of wind energy generation revenue relate directly to costs associated with the operations and maintenance costs of the facility and turbines of the Briscoe Wind Farm, which was acquired on April 1, 2026. Included in the three months ended September 30, 2026, cost of wind energy generation revenue was approximately $3.0 million of the unscheduled repairs and unscheduled maintenance of the wind turbines and related facility infrastructure. In addition, Briscoe has significant depreciation and accretion expenses of approximately $1.0 million mainly associated with the wind turbines over the life of the assets.

Cost of Data Hosting Revenue- depreciation: Cost of data hosting revenue-depreciation increased mainly due to D2 becoming energized during fiscal year 2025, and Project Kati beginning initial energization in the first quarter of 2026.

General and Administrative Expenses, exclusive of depreciation and amortization: General and administrative expenses, exclusive of depreciation and amortization include cash and non-cash compensation, benefits, and related costs in support

of our general corporate operations, including general management, finance and accounting, human resources, marketing, information technology, corporate development, and legal services.

- **Stock-based compensation** increased approximately $14.0 million to $15.9 million for the three months ended September 30, 2026, compared to $1.9 million for the three months ended September 30, 2025, of which $15.7 million and $1.8 million, respectively, was included in general and administrative expenses and the remainder in cost of revenue. Approximately $10.7 million of the increase relates to equity awards issued to directors, board advisors, officers and employees during 2026. Approximately $4.0 million of the increase relates to equity awards issued to directors, officers and employees during 2025 for a full year of expense versus a partial year. These increases were partially offset by approximately $48 thousand related to the cessation of vesting for certain prior-year grants and the forfeiture of grants related to termed individuals and approximately $684 thousand related to changes in the vesting terms of certain grants.

- **Legal fees** increased approximately $1.0 million, or 112%, for the three months ended September 30, 2026, compared to $0.9 million for the three months ended September 30, 2025. The increase was primarily attributable to higher legal fees supporting increased business development and commercial activity of $1.1 million, principally related to the development of the Project Kati 2 site. Legal fees for general corporate matters and SEC reporting also increased $0.4 million. These increases were partially offset by a $0.4 million decrease in legal fees associated with financing transactions compared to the prior- year period.

- **Professional and consulting fees** increased $1.0 million, or 322%, to $1.3 million for the three months ended September 30, 2026, compared to the $0.3 million for the three months ended September 30, 2025. The increase was primarily due to approximately $0.5 million of higher business development consulting costs, including land services, surveying and engineering studies supporting the evaluation and development of new power and data center sites, and approximately $0.4 million of higher outside services, reflecting the use of third-party consultants and advisors for public relations, engineering and other corporate initiatives as the Company expanded its project pipeline.

- **All other fluctuations** within general and administrative expenses for the period were not material to the overall results of operations.

Depreciation and Amortization associated with general and administrative expenses: Depreciation and amortization expense was comparable for the three months ended September 30, 2026, and 2025, totaling approximately $2.4 million in each period. The expense primarily relates to amortization of the strategic pipeline contract acquired in October 2021.

Interest expense: Interest expense for the three months ended September 30, 2026 was approximately $1.3 million compared to the $1.2 million for the three months ended September 30, 2025. See table below noting the difference mainly relates to the Generate loan which began in September 2025, which includes amortization of deferred financing costs, offset by the NYDIG ABL LLC ("NYDIG") equipment financing loan that was settled in September 2025, in addition to other various interest expenses for loans. Further details on the components of interest expense are presented in the table below.

(Dollars in thousands)	Three months ended September 30,	
	2026	**2025**
Generate loan	$ 856	$ 168
Green Cloud Note	194	298
Galaxy loan	158	220
Equipment loan	—	100
Spring Lane financing cost	—	61
Finance lease	51	—
Other	15	—
NYDIG equipment financing	—	365
Interest expense	$ 1,274	$ 1,212

(Loss) gain on Debt Extinguishment and Revaluation, net: For the three months ended September 30, 2026, we recognized a loss on extinguishment of debt of approximately $5.7 million. The loss on debt extinguishment related primarily to the following item:

- Prepayment of Tranche A-1 and A-3 Generate loan - On August 10, 2026, D1A and D2 prepaid in full the Tranche A-1 Loans and Tranche A-3 Loans, respectively, in the aggregate total prepayment amount of approximately $19.1 million, inclusive of accrued and unpaid interest, the applicable prepayment premium of $3.9 million, $15.2 million of the outstanding principal balance and all other amounts then due under the Amended Credit Agreement. We recorded a loss on extinguishment on debt of approximately $5.7 million in relation to remaining amortization of debt discount and deferred financing costs, in addition to the prepayment premium.

For the three months ended September 30, 2025, we recognized a net gain on extinguishment of debt of approximately $10.1 million, primarily related to the settlement of the NYDIG equipment financing loan and related interest obligations. The gain was partially offset by a loss on extinguishment resulting from the satisfaction and redemption of the Project Kati equipment loan through the issuance of Class B Membership Interests in Project Kati, which were valued at approximately three and three-tenths times the original borrowing amount.

Fair value adjustment, net: We did not have any fair value adjustments for the three months ended September 30, 2026. For the three months ended September 30, 2025, we recognized a net loss of approximately $22.0 million related to the revaluation of the Series A and Series B warrants issued in connection with the July 2025 Financing, which were classified as liabilities and subsequently exercised during the quarter. The loss also includes a $13.8 million fair value adjustment on the revaluation of outstanding warrant liabilities as of September 30, 2025. These losses were primarily driven by the increase in the Company's stock price between July and September 2025, which resulted in a higher intrinsic value compared to the warrants' original fair value. In addition, we incurred an approximate $9.1 million loss in connection with the fair value of warrants issued in excess of the related proceeds from the July 2025 Financing. These losses were partially offset by a gain of approximately $0.8 million related to the revaluation of the Generate Common Warrant during the period.

Other financing expense: Other financing expenses totaled approximately $10 thousand for the three months ended September 30, 2026, primarily related to SEC filing fees. For the three months ended September 30, 2025, other financing expense was approximately $4.7 million in relation to consent fees associated with draws under the ATM agreement and SEPA facility, as well as transaction costs incurred in connection with the July 2025 Financing.

Loss on sale of fixed assets and deposit on equipment, net: For the three months ended September 30, 2026, we had a loss on sale of fixed assets and deposit on equipment of approximately $65 thousand mainly related to a transformer disposal. During the three months ended September 30, 2025, we recognized a loss of approximately $780 thousand related to the forfeiture of an equipment credit that had been recorded in prior periods. The credit, which was restricted for use on future equipment purchases for Project Dorothy 2 and Project Kati through September 1, 2025, expired unused, and no further extension was granted.

Net loss attributable to non-controlling interest: We incurred a net loss attributable to non-controlling interest for the three months ended September 30, 2026 of approximately $5.7 million compared to net loss attributable to non-controlling interest for the three months ended September 30, 2025 of $1.8 million, an increase in net loss attributable to non-controlling interest of approximately $3.8 million. Most of the increase came from Dorothy 2. In August 2026, Dorothy 2 repaid its Generate Capital loan and recognized a $3.9 million loss on extinguishment of debt, consisting of its prepayment premium and write-off of its unamortized deferred financing costs in which the non-controlling interest holder absorbed their share of that loss. Dorothy 1A, which also prepaid its Tranche A-1 loan, has been wholly owned since the second quarter of 2026, so none of its extinguishment loss was attributed to non-controlling interests. Losses attributable to non-controlling interests at Kati 1 also rose by $0.7 million, because the current period includes a full quarter of activity compared to one month in the prior year. Dorothy 1A and 1B also contributed to the increase. In the prior-year period, $0.6 million of income was attributable to non-controlling interests at those two entities, which partly offset losses elsewhere. We acquired the remaining non-controlling interests in Dorothy 1A and 1B in the second quarter of 2026, so they had no non-controlling interests in the current period and provided no comparable offset. These increases were partly offset because a $1.7 million loss attributable to non-controlling interests in the third quarter of 2025 associated with the satisfaction of equipment loan through membership interest at Project Kati 1, which did not recur.

Consolidated Results of Operations for the Nine Months Ended September 30, 2026 Compared to the Nine Months Ended September 30, 2025.

The following table summarizes changes in the various components of our net loss during the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025.

(Dollars in thousands)	Nine months ended September 30, 2026	Nine months ended September 30, 2025	$ Change	% Change
Cryptocurrency mining revenue	$ 5,742	$ 8,630	$ (2,888)	(33)%
Data hosting revenue	31,790	10,795	20,995	194 %
Wind energy generation revenue	960	—	960	— %
Demand response service revenue	1,109	1,057	52	5 %
High-performance computing service revenue	—	28	(28)	(100)%
Operating costs and expenses:				
Cost of cryptocurrency mining revenue, exclusive of depreciation	4,012	5,428	(1,416)	(26)%
Cost of data hosting revenue, exclusive of depreciation	18,838	5,605	13,233	236 %
Cost of wind energy generation revenue, exclusive of depreciation	7,273	—	7,273	— %
Cost of high-performance computing service revenue	—	7	(7)	(100)%
Cost of cryptocurrency mining revenue- depreciation	2,659	3,200	(541)	(17)%
Cost of data hosting revenue- depreciation	3,979	1,578	2,401	152 %
Cost of wind energy generation revenue- depreciation and accretion expense	2,050	—	2,050	— %
General and administrative expenses, exclusive of depreciation and amortization	56,048	19,053	36,995	194 %
Depreciation and amortization associated with general and administrative expenses	7,204	7,207	(3)	— %
Impairment on intangibles	70	—	70	— %
Impairment on fixed assets	—	12	(12)	(100)%
Operating loss	(62,532)	(21,580)	(40,952)	190 %
Other income (expense), net	1,798	(280)	2,078	(742)%
Interest expense	(5,922)	(3,246)	(2,676)	82 %
Other financing expense	(579)	(5,203)	4,624	(89)%
Loss on sale of fixed assets and deposit on equipment	(618)	(802)	184	(23)%
Fair value adjustment gain (loss)	246	(22,165)	22,411	(101)%
(Loss) gain on debt extinguishment and revaluation, net	(9,926)	10,658	(20,584)	(193)%
Loss before income taxes	(77,533)	(42,618)	(34,915)	82 %
Income tax benefit, net	2,678	1,697	981	58 %
Net loss	(74,855)	(40,921)	(33,934)	83 %
Net loss attributable to non-controlling interest, net	8,006	2,027	5,979	295 %
Net loss attributable to Soluna Holdings, Inc.	$ (66,849)	$ (38,894)	$ (27,955)	72 %

The following table summarizes revenues and costs of revenues by business category during the nine months ended September 30, 2026 (Note- there was no HPC Services revenue or costs for the nine months ended September 30, 2026, as such we excluded from table below):

	Soluna Digital				Soluna DV Wind	Briscoe PPA eliminations	
(Dollars in thousands)	Proprietary Mining	Data Hosting	Other	Soluna Digital Total	Wind Energy Generation		Total
Total Revenue	$ 5,742	$ 31,790	$ 1,109	$ 38,641	$ 5,231	$ (4,271)	$ 39,601
Less:							
Cost of revenue, exclusive of depreciation and accretion	4,787	22,334	—	27,121	7,273	(4,271)	30,123
Cost of revenue- depreciation and accretion	2,659	3,979	—	6,638	2,050	—	8,688
Total cost of revenue	7,446	26,313	—	33,759	9,323	(4,271)	38,811
Gross (loss) profit	$ (1,704)	$ 5,477	$ 1,109	$ 4,882	$ (4,092)	$ —	$ 790

The following table summarizes the revenues and costs of revenues by business category during the nine months ended September 30, 2025:

	Soluna Digital				Soluna Cloud	
(Dollars in thousands)	Proprietary Mining	Data Hosting	Other	Soluna Digital Total	HPC Services	Total
Total revenue	$ 8,630	$ 10,795	$ 1,057	$ 20,482	$ 28	$ 20,510
Less:						
Cost of revenue, exclusive of depreciation	5,428	5,605	—	11,033	7	11,040
Cost of revenue- depreciation	3,200	1,578	—	4,778	—	4,778
Total cost of revenue	8,628	7,183	—	15,811	7	15,818
Gross profit	$ 2	$ 3,612	$ 1,057	$ 4,671	$ 21	$ 4,692

Cryptocurrency Mining Revenue: Proprietary cryptocurrency mining revenue decreased 33% for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025. The decrease was substantially attributable to lower realized pricing. Average hashprice declined 36%, from $53.56 to $34.33, reflecting growth in average network difficulty and a decline in the average price of Bitcoin between the comparable periods. Volume of average deployed self-mining hashrate was minimally changed as D1B decreased from 628 PH/s to 575 PH/s, however was offset by mining at Kati 1 and Sophie that started to pick up in the third quarter of 2026.

Data Hosting Revenue: Data center hosting services consist of providing energized space and comprehensive operating support to third-party mining companies that locate their equipment at our facilities, including Projects Dorothy 1A, Dorothy 1B, Dorothy 2, Kati 1, and Sophie. Revenue from these services is derived from hosting fees under fixed-fee and profit-sharing arrangements, fixed supplemental payments based on contracted capacity, leasing arrangements, and additional service fees such as equipment installation.

Hosting revenue increased 194% for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025, an increase of 113% exclusive of the electricity cost presentation of $8.7 million discussed below. Volume growth contributed $13.2 million of favorable variance and a service agreement contributed $2.2 million, partially offset by $3.7 million of unfavorable pricing, with the remaining $0.6 million attributable to higher service fees net of contra revenue and other items.

The volume increase reflects capacity additions across the portfolio. Project Dorothy 2, which was in the early stages of energization and generated minimal hosting revenue in the prior-year period, contributed $8.4 million of the increase. Project Dorothy 1A contributed $2.8 million. Project Kati 1, which commenced hosting operations in 2026, contributed $1.1 million, and Project Dorothy 1B, which began providing hosting services in 2026, contributed $1.1 million. Project Sophie's volume declined approximately $0.2 million. Average hosted hashrate under management increased 133%, from 1,926 PH/s to 4,487 PH/s, and megawatt-hours delivered to hosting customers increased 120%. Volume growth also reflects fixed supplemental payments under profit-share arrangements, which contributed $6.4 million compared to approximately $930 thousand in the prior-year period.

The unfavorable price variance was concentrated in profit-share arrangements, under which our share of customer mining proceeds varies with hashprice. Average hashprice declined 36% between the comparable periods, and the average realized profit-share rate declined 51% on a per-PH basis, reducing profit-share revenue by $3.5 million notwithstanding a 133% increase in hosted hashrate.

Also, in the second quarter of 2026, we began recording electricity costs incurred as part of providing performance obligations to our customers within the data hosting revenue financial statements caption and associated electricity costs within the cost of data hosting revenue, exclusive of depreciation financial statement caption on the statement of operations. These electricity costs are subsequently passed on to the customer with no mark-up. The effect of this presentation change increased data hosting revenue and cost of data hosting revenue, exclusive of depreciation, by approximately $8.7 million for the nine months ended September 30, 2026. See Note 2 for details.

In addition, we had a contract termination with KULR Technology Group, Inc. ("KULR") during the third quarter of 2026, which contributed approximately $870 thousand in accelerated revenue. In August 2026, our subsidiary Soluna SW, LLC and KULR entered into a termination agreement ending the Bitcoin Mining Lease Agreement that commenced on October 31, 2025, terminating the agreement effective as of July 31, 2026. Under the termination agreement, all amounts KULR previously paid, including the $1.1 million initial payment, are non-refundable and remain with us. KULR agreed to pay a termination fee of $150 thousand. The miners remain our property, and bitcoin mining proceeds from the miners after the termination date belong to us. Before the termination, we deferred the initial payment as a contract liability and recognized it as revenue over the 730-day term of the agreement, together with the related financing component. Because we have no remaining performance obligation to KULR and the consideration received is non-refundable, we recognized the remaining contract liability of approximately $720 thousand as revenue in the nine months ended September 30, 2026 in accordance with ASC 606. This amount would otherwise have been recognized ratably through October 31, 2027. Revenue for the three and nine months ended September 30, 2026 includes this nonrecurring acceleration and $150 thousand termination fee contributing to the increase in data hosting revenue

Wind Energy Generation Revenue: In relation to the acquisition of Briscoe in April 2026, we have added a new revenue stream: wind energy generation revenue. We note that Briscoe Wind has gross revenue of approximately $5.2 million for the nine months ended September 30, 2026, however since approximately $4.3 million of PPA revenue are used at the Company's Dorothy sites, the PPA revenue is eliminated on the condensed consolidated financial statements, which also

decreases the cost of revenue for proprietary mining and data center hosting. At the time of the acquisition, 10 of 81 wind turbines were not operating and repairs to gearboxes and main bearings were initiated, partially funded with proceeds set aside at closing. The repairs continued into the third quarter of 2026. The primary drivers of Briscoe's operating results during the period are revenue from the GSEC Power Purchase Agreement and from wholesale energy sales into the ERCOT market. As we acquired Briscoe in the second quarter of 2026, no comparable revenue was noted.

Demand Response Service: Demand response service revenue increased for the nine months ended September 30, 2026, compared to the prior-year period. This increase was due to capacity bid increases for the Texas site in relation to D2 which had a full year to date of enrollment in the program and Kati was newly enrolled during 2026, therefore driving growth in the demand service revenue compared to prior year.

Cost of Cryptocurrency Mining Revenue, exclusive of depreciation*:* Cost of cryptocurrency mining revenue includes direct utility costs, site overhead expenses, and overhead costs attributable to the operations of our cryptocurrency mining facilities in Texas.

The cost of cryptocurrency mining revenue decreased for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 due to lower electricity consumption and associated operating expenses, reflecting a reduction in total power utilization during the period. In addition, D1B began hosting services and was generating lower proprietary mining power. Following the Briscoe acquisition, energy that our Dorothy projects purchase from the Briscoe Wind Farm is an intercompany cost that is eliminated in consolidation.

Cost of Data Hosting Revenue, exclusive of depreciation: Cost of data hosting revenue includes direct utility costs, site overhead expenses, and overhead costs attributable to the operations of data hosting facilities in Kentucky and Texas.

Cost of data hosting increased for the nine months ended September 30, 2026, compared to the same period in 2025. This increase was primarily driven by the initial energization of the D2 facility during the second quarter of 2025 and the subsequent increase in MWs capacity and associated operating costs during 2026, in addition to the initial energization of Project Kati during the first quarter of 2026, with no comparable costs incurred in the prior year. Project Dorothy 1B also began hosting services, therefore increasing costs in relation to data hosting for the nine months ended September 30, 2026.

Also, in the second quarter of 2026, we began recording electricity costs incurred as part of providing performance obligations to our customers within the data hosting revenue financial statements caption and associated electricity costs within the cost of data hosting revenue, exclusive of depreciation financial statement caption on the statement of operations. These electricity costs are subsequently passed on to the customer with no mark-up. The effect of this presentation change increased data hosting revenue and cost of data hosting revenue, exclusive of depreciation, by approximately $8.7 million for the nine months ended September 30, 2026. See Note 2 for details.

Following the Briscoe acquisition, energy that our Dorothy projects purchase from the Briscoe Wind Farm is an intercompany cost that is eliminated in consolidation.

Cost of Data Hosting Revenue- depreciation: Cost of data hosting revenue-depreciation increased mainly due to D2 becoming energized during fiscal year 2025, and Project Kati beginning initial energization in the first quarter of 2026.

Cost of Wind Energy Generation Revenue: Cost of wind energy generation revenue relate directly to costs associated with the operations and maintenance costs of the facility and turbines of the Briscoe Wind Farm, which was acquired on April 1, 2026. Included in the nine months ended September 30, 2026, cost of wind energy generation revenue was approximately $3.5 million of unscheduled repairs and unscheduled maintenance of the wind turbines and related facility infrastructure. In addition, Briscoe has significant depreciation expenses associated with the wind turbines over the life of the assets.

General and Administrative Expenses, exclusive of depreciation and amortization: General and administrative expenses, exclusive of depreciation and amortization include cash and non-cash compensation, benefits, and related costs in support of our general corporate operations, including general management, finance and accounting, human resources, marketing, information technology, corporate development, and legal services.

- Stock-based compensation increased approximately $29.9 million to $35.6 million for the nine months ended September 30, 2026, compared to $5.7 million for the nine months ended September 30, 2025, of which $35.2 million and $5.6 million, respectively, was included in general and administrative expenses and the remainder in

cost of revenue. Approximately $16.6 million of the increase relates to equity awards issued to directors, board advisors, officers and employees during 2026. Approximately $15.7 million of the increase relates to equity awards issued to directors, officers and employees during 2025 for a full year of expense versus a partial year. These increases were partially offset by approximately $1.7 million related to the cessation of vesting for certain prior-year grants and the forfeiture of grants related to termed individuals and approximately $681 thousand related to changes in the vesting terms of certain grants.

- Salaries and employee benefits increased approximately $2.2 million, to $8.8 million for the nine months ended September 30, 2026, compared to $6.6 million for the nine months ended September 30, 2025. The increase was primarily attributable to accruals for incentive-based compensation, higher employee benefits premiums and plan costs, and additional payroll taxes and benefits costs associated with cost-of-living adjustments to senior executive compensation and incremental headcount added during the period.

- Legal fees increased $1.7 million, or 70%, to $4.2 million for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The increase was primarily attributable to higher legal fees supporting business development and commercial contracting activity of $2.6 million, principally related to the development of the Project Kati 2 site, including the associated joint venture and lease arrangements, the acquisition and financing of the Briscoe Wind Farm, and master services agreements for our existing data center sites as well as other power and site development initiatives. Legal fees for general corporate and governance matters and compensation and equity plan matters also increased $0.5 million. These increases were partially offset by decreases in legal fees associated with financing transactions of $0.9 million, SEC reporting of $0.3 million and regulatory compliance matters of $0.2 million compared to the prior-year period.

- Consulting and professional fees increased $2.0 million, or 182%, to $3.1 million for the nine months ended September 30, 2026, compared to $1.1 million for the nine months ended September 30, 2025. The increase was primarily due to higher outside services of $1.1 million, reflecting the use of third-party consultants and advisors to support strategic, financing, public relations and engineering initiatives, and higher business development consulting costs of $0.7 million, including land services, surveying, and engineering studies supporting the evaluation and development of new power and data center sites. Departmental consulting and other professional fees increased a combined $0.3 million, primarily due to increased use of contract personnel.

- All other fluctuations within general and administrative expenses for the period were not material to the overall results of operations.

Depreciation and Amortization associated with general and administrative expenses: Depreciation and amortization expense was approximately $7.2 million and $7.2 million for the nine months ended September 30, 2026, and 2025. The expense primarily relates to the amortization of the strategic pipeline contract acquired in October 2021.

Interest expense: Interest expense for the nine months ended September 30, 2026, was approximately $5.9 million, compared to approximately $3.2 million for the nine months ended September 30, 2025. See table below noting the difference mainly relates to the new loans entered into in fiscal year 2025 and 2026 (Generate loan, Galaxy loan, and Yorkville loan), which includes amortization of deferred financing costs, offset by the NYDIG ABL LLC ("NYDIG") equipment financing loan that was settled in September 2025. In addition, there was approximately $979 thousand of accelerated amortization recognized upon the write-off of the loan commitment asset attributable to the undrawn Tranche B commitment under the Credit Agreement. Further details on the components of interest expense are presented in the table below.

(Dollars in thousands)	Nine months ended September 30,	
	2026	**2025**
Generate loan	$ 2,913	$ 168
Green Cloud Note	692	1,042
Galaxy loan	564	498
Equipment loan	123	236
Yorkville loan	390	—
Loan commitment asset write-off	979	—
Spring Lane financing cost	43	183
Finance lease	130	—
Other	88	35
NYDIG equipment financing	—	1,084
Interest expense	$ 5,922	$ 3,246

Loss (gain) on Debt Extinguishment and Revaluation, net: For the nine months ended September 30, 2026, we recognized a loss on extinguishment of debt of approximately $9.9 million. The loss on debt extinguishment related to the following items:

- With the Briscoe acquisition, Amendment No. 1 to the Generate Credit Agreement reduced the unfunded Tranche B loan commitment from $18.5 million to $6.0 million, and the unamortized deferred financing costs allocable to that reduction were written off. See Note 10 to the condensed consolidated financial statements. The unamortized deferred financing costs of approximately $2.0 million associated with the $12.5 million reduction on the Tranche B Loan Commitment were written off upon execution of the amendment and are reflected as loss on extinguishment of debt in the condensed consolidated statements of operations for the nine months ended September 30, 2026.

- Yorkville promissory note: We paid off the 1 year promissory note within 3 months, as such, we accelerated the deferred financing costs and discount associated with the note and recorded a loss on extinguishment of debt of approximately $2.0 million (pro-rata write-off of deferred financing costs of approximately $600 thousand, pro-rata write-off of the warrant discount of approximately $1.4 million, and the approximately $60 thousand redemption premium).

- Land Purchase Loan- On June 10, 2026, we repaid the Land Purchase loan in full of $1.075 million. Due to the extinguishment of debt, the Company recorded a loss on extinguishment of debt in relation to the acceleration of the discount being amortized of approximately $132 thousand.

- Prepayment of Tranche A-1 and A-3 Generate loan- On August 10, 2026, D1A and D2 prepaid in full the Tranche A-1 Loans and Tranche A-3 Loans, respectively, in the aggregate total prepayment amount of approximately $19.1 million, inclusive of accrued and unpaid interest, the applicable prepayment premium of $3.9 million, $15.2 million of the outstanding principal balance and all other amounts then due under the Amended Credit Agreement. We recorded a loss on extinguishment on debt of approximately $5.7 million in relation to remaining amortization of debt discount and deferred financing costs, in addition to the prepayment premium.

For the nine months ended September 30, 2025, we recognized a gain of approximately $10.7 million. The gain primarily related to the settlement of the NYDIG equipment financing loan and related interest obligations in September 2025, as well as the Assignment and Assumption Agreement for the Additional Notes executed on March 14, 2025. These gains were partially offset by a loss on extinguishment resulting from the satisfaction and redemption of the Project Kati equipment loan through the issuance of Class B Membership Interests in Project Kati, which were valued at approximately three and three-tenth times the original borrowing amount.

Fair value adjustment, net: For the nine months ended September 30, 2026, we recognized a gain of approximately $246 thousand in fair value adjustments in relation to timing of the 2024 SEPA draws that were executed in the nine months ended September 30, 2026 to when the shares were issued.

We recognized a loss on fair value for the nine months ended September 30, 2025 of approximately $22.2 million related to the revaluation of the Series A and Series B warrants issued in connection with the July 2025 Financing, which were classified as liabilities and exercised during the three months ended September 30, 2025. The loss also includes a $13.8 million fair value adjustment related to the revaluation of outstanding warrant liabilities as of September 30, 2025. These losses were primarily driven by the increase in the Company's stock price between July and September 2025, which resulted in a higher intrinsic value relative to the warrants' original fair value. Additionally, we incurred an approximately $9.1 million loss representing the excess of the fair value of warrants issued in connection with the July 2025 Financing over the related proceeds received, and $0.1 million in fair value adjustments related to timing differences between SEPA draws and share issuances. These losses were partially offset by a gain of approximately $0.8 million from the revaluation of the Generate Common Warrant.

Other financing expense: For the nine months ended September 30, 2026, we incurred expenses of approximately $579 thousand, of which approximately $275 thousand related to the SEPA commitment and structuring fee with Yorkville for the 2026 SEPA entered into in March. In addition, we paid approximately $300 thousand in relation to SEC filing fees for Shelf registration and FINRA fees for 2026. For the nine months ended September 30, 2025, we incurred approximately $5.2 million in relation to consent fees for the SEPA, ATM Agreement draws, and transaction costs incurred in connection with the July 2025 Financing.

Loss on sale of fixed assets and deposit on equipment, net: For the nine months ended September 30, 2026, we had a loss on sale of fixed assets and deposit on equipment of approximately $618 thousand related to a loss on deposit of equipment with a vendor for $500 thousand, in addition to cryptocurrency miners and software write-offs for the period. During the nine months ended September 30, 2025, we recognized a loss of approximately $802 thousand primarily related to the forfeiture of an equipment credit that had been recorded in prior periods. The credit was restricted for use on future equipment purchases for Project Dorothy 2 and Project Kati through September 1, 2025. We did not execute an order prior to the expiration date, and no extension was granted; therefore, the credit was forfeited.

Other income (expense), net: For the nine months ended September 30, 2026, we had other income, net of approximately $1.8 million mainly related to a gain on settlement of transformers in the amount of approximately $1.4 million and amortization for the right-of-first refusal of approximately $180 thousand, and other various expenses including a Kentucky tax refund. For the nine months ended September 30, 2025, we had other expense, net of approximately $280 thousand mainly in relation to a loss compensation cost associated with the Las Majadas wind farm of approximately $291 thousand, offset with immaterial other income.

Net loss attributable to non-controlling interest: We incurred a net loss attributable to non-controlling interest for the nine months ended September 30, 2026 of approximately $8.0 million compared to net loss attributable to non-controlling interest for the nine months ended September 30, 2025 of $2.0 million a change of approximately $6.0 million increase in net loss attributable to non-controlling interest. The increase mainly reflects the non-controlling interest holders' share of (i) a $2.0 million loss on extinguishment of debt Kati 1 recognized in April 2026 from writing off unamortized deferred financing costs when the Tranche B commitment under its Generate Capital loan was reduced, (ii) $1.0 million of interest expense Kati 1 recognized in June 2026 from writing off the remaining deferred financing cost asset tied to the undrawn commitment, and (iii) a $3.9 million loss on extinguishment of debt Dorothy 2 recognized in August 2026 from repaying its Generate Capital loan. Kati 1 also had nine months of non-controlling interest activity in 2026, compared to one month in 2025. Dorothy 1A and 1B also contributed to the increase. In the prior-year period, $1.4 million of income was attributable to non-controlling interests at those entities, which partly offset losses elsewhere. In 2026, a net $0.2 million loss was allocated to those interests up to the dates we acquired them in the second quarter of 2026, and nothing after.

These increases were partly offset by the non-controlling interest holders' share of the $1.4 million gain Dorothy 2 recognized in May 2026 from the Maddox transformer settlement, and by the non-recurrence of a $1.7 million loss attributable to non-controlling interests associated with the satisfaction of equipment loan through membership interest at Project Kati 1 in 2025, which did not recur.

Non-GAAP Measures

To supplement our consolidated condensed financial statements included in this quarterly report presented under U.S. generally accepted accounting principles ("GAAP"), we are presenting certain non-GAAP financial measures. We are providing these non-GAAP financial measures to disclose additional information to facilitate the comparison of past and present operations by providing perspective on results absent one-time or significant non-cash items. We utilize these measures in the business planning process to understand expected operating performance and to evaluate results against those expectations. We believe that these non-GAAP financial measures, when considered together with our GAAP financial results, provide management and investors with an additional understanding of our business operating results regarding factors and trends affecting our business and provide a reasonable basis for comparing our ongoing results of operations.

These non-GAAP financial measures are provided as supplemental measures to our performance measures calculated in accordance with GAAP and therefore, are not intended to be considered in isolation or as a substitute for comparable GAAP measures. Further, these non-GAAP financial measures have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. Because of the non-standardized definitions of non-GAAP financial measures, we caution investors that the non-GAAP financial measures as used by us in this quarterly report have limits in their usefulness to investors and may be calculated differently from, and therefore may not be directly comparable to, similarly titled measures used by other companies. Further, investors should be aware that when evaluating these non-GAAP financial measures, these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. In addition, from time to time in the future there may be items that we may exclude for purposes of our non-GAAP financial measures, and we may in the future cease to exclude items that we have historically excluded for purposes of our non-GAAP financial measures. Likewise, we may determine to modify the nature of the adjustments to arrive at our non-GAAP financial measures. Investors should review the non-GAAP reconciliations provided below and not rely on any single financial measure to evaluate our business.

EBITDA and Adjusted EBITDA

In addition to financial measures calculated in accordance with GAAP, we also use "EBITDA" and "Adjusted EBITDA." "EBITDA" is defined as earnings before interest, taxes, and depreciation and amortization. "Adjusted EBITDA" is defined as EBITDA adjusted for stock-based compensation costs, loss/gain on sale of fixed assets and deposit on equipment, right of first refusal amortization loss/gain, accretion of asset retirement obligation, loss/gain on debt extinguishment and revaluation, and other non-cash activity. Management believes that EBITDA and Adjusted EBITDA results in a performance measurement that represents a key indicator of our business operations of cryptocurrency mining, hosting customers engaged in cryptocurrency mining, demand service revenue, and high-performance computing services.

We believe EBITDA and Adjusted EBITDA can be important financial measures because they allow management, investors, and the Board to evaluate and compare our operating results, including our return on capital and operating efficiencies, from period-to-period by making such adjustments. Non-GAAP financial measures are subject to material limitations as they are not in accordance with, or a substitute for, measurements prepared in accordance with GAAP. For example, we expect that stock-based compensation costs, which is excluded from the non-GAAP financial measures, will continue to be a significant recurring expense over the coming years and is an important part of the compensation provided to certain employees, officers, and directors. Similarly, we expect that depreciation and amortization of fixed assets will continue to be a recurring expense over the term of the useful life of the assets.

EBITDA and Adjusted EBITDA are provided in addition to and should not be considered to be substitutes for, or superior to net income, the comparable measure calculated in accordance with GAAP. Further, EBITDA and Adjusted EBITDA should not be considered as alternatives to revenue growth, net income, or any other performance measure calculated in accordance with GAAP, or as alternatives to cash flow from operating activities as a measure of our liquidity. EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider such measures either in isolation or as substitutes for analyzing our results as reported under GAAP.

Reconciliations of EBITDA and Adjusted EBITDA to net loss, the most comparable GAAP financial metric, for historical periods are presented in the table below:

(Dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net loss	$ (34,329)	$ (25,787)	$ (74,855)	$ (40,921)
Interest expense	1,274	1,212	5,922	3,246
Income tax benefit	(1,507)	(666)	(2,678)	(1,697)
Depreciation and amortization	5,314	4,119	15,649	11,985
EBITDA	(29,248)	(21,122)	(55,962)	(27,387)
Adjustments: Non-cash or Non-recurring items				
Stock-based compensation costs	15,879	1,882	35,581	5,671
Loss on sale of fixed assets and deposit on equipment	65	780	618	802
Right of first refusal amortization gain	(45)	—	(180)	—
Accretion of asset retirement obligation	164	—	243	—
Gain on transformer settlement	—	—	(1,409)	—
SEPA commitment fee	—	—	250	—
Fair value adjustment loss (gain)	—	22,047	(246)	22,165
Fair value on placement agent warrants financing fee	—	146	—	146
Impairment on fixed assets and intangibles	—	—	70	12
Loss (gain) on debt extinguishment and revaluation, net	5,729	(10,107)	9,926	(10,658)
Adjusted EBITDA	$ (7,456)	$ (6,374)	$ (11,109)	$ (9,249)

Adjusted EBITDA was at a loss of approximately $7.5 million and $6.4 million for the three months ended September 30, 2026 and September 30, 2025, respectively, and $11.1 million and $9.2 million for the nine months ended September 30, 2026 and September 30, 2025, respectively. In each period, increased cash contribution from our operating sites was more than offset by growth in general and administrative expenses. Gross profit, exclusive of depreciation, accretion, and amortization and stock-based compensation, decreased approximately $2.7 million for the three months ended September 30, 2026, and increased $0.3 million for the nine months ended September 30, 2026, respectively. The three-month decrease primarily reflects approximately $3.0 million of unscheduled turbine repair and maintenance costs at the Briscoe Wind Farm, and lower proprietary mining margins due to a 37% decline in average hashprice. These were partially offset by higher hosting contribution from Project Dorothy 2, Project Kati 1, and Project Dorothy 1B, including approximately $0.9 million of nonrecurring revenue from the KULR termination. For the nine months ended September 30, 2026, gross profit exclusive of depreciation, accretion, and amortization and stock-based compensation, had a small increase reflecting new and expanded capacity across our Texas sites, principally the full-period operation of Project Dorothy 2, the commencement of hosting operations at Project Kati 1, and the acquisition of the Briscoe Wind Farm on April 1, 2026. These increases were offset by the turbine repair maintenance and lower hashprice noted above.

General and administrative expenses, exclusive of depreciation, amortization and stock-based compensation included in G&A, increased approximately $3.1 million and $7.4 million for the three and nine months ended September 30, 2026,

respectively. The increases primarily reflect higher legal fees of $1.0 million and $1.7 million, respectively, and higher professional and consulting fees of $1.0 million and $2.0 million, respectively. These fees mainly supported the development of Project Kati 2 and the evaluation of new power and data center sites, and, for the nine-month period, the acquisition and financing of the Briscoe Wind Farm. For the nine-month period, salaries and employee benefits also increased $2.2 million, reflecting incentive compensation accruals, higher benefit costs and incremental headcount. See "General and Administrative Expenses" under Results of Operations.

Lower other financing expense partially offset the change in Adjusted EBITDA. Other financing expenses decreased approximately $4.7 million and $4.6 million for the three and nine months ended September 30, 2026 , respectively, compared to the same periods in 2025. In the prior-year periods, we incurred approximately $4.7 million and $5.2 million, respectively, of consent fees related to the SEPA, costs related to draws under the ATM Agreement, and transaction costs incurred in connection with the July 2025 Financing. We did not incur comparable financing costs in 2026.

(Dollars in thousands)	Three months ended March 31, 2026	Three months ended June 30, 2026	Three months ended September 30, 2026
Net loss	$ (17,902)	$ (22,624)	$ (34,329)
Interest expense	1,481	3,167	1,274
Income tax benefit	(624)	(547)	(1,507)
Depreciation and amortization	4,603	5,732	5,314
EBITDA	(12,442)	(14,272)	(29,248)
Adjustments: Non-cash or Non-recurring items			
Stock-based compensation costs	10,222	9,480	15,879
(Gain) loss on sale of fixed assets and deposits on equipment	(32)	585	65
Right of first refusal amortization gain	(90)	(45)	(45)
Accretion of asset retirement obligation	—	79	164
Gain on transformer settlement	—	(1,409)	—
SEPA commitment fee	250	—	—
Fair value adjustment, net	—	(246)	—
Impairment on fixed assets and intangibles	—	70	—
Loss on debt extinguishment and revaluation, net	—	4,197	5,729
Adjusted EBITDA	$ (2,092)	$ (1,561)	$ (7,456)

The following table represents the Adjusted EBITDA activity between each three-month period from January 1, 2025 through December 31, 2025.

(Dollars in thousands)	Three months ended March 31, 2025	Three months ended June 30, 2025	Three months ended September 30, 2025	Three months ended December 31, 2025
Net loss	$ (7,354)	$ (7,780)	$ (25,787)	$ (16,070)
Interest expense	838	1,196	1,212	1,589
Income tax benefit	(425)	(608)	(666)	(617)
Depreciation and amortization	3,879	3,989	4,119	4,358
EBITDA	(3,062)	(3,203)	(21,122)	(10,740)
Adjustments: Non-cash items or Non-recurring items				
Stock-based compensation costs	1,847	1,942	1,882	4,895
Loss on sale of fixed assets and credit on equipment deposits	—	22	780	349
Fair value on placement agent warrant and financing fees	—	—	146	—
Fair value adjustment, net	118	—	22,047	1,516
Impairment on fixed assets	—	12	—	—
Gain on debt extinguishment and revaluation, net	(551)	—	(10,107)	—
Adjusted EBITDA	$ (1,648)	$ (1,227)	$ (6,374)	$ (3,980)

Liquidity and Capital Resources

Several key indicators of our liquidity are summarized in the following table:

(Dollars in thousands)	Nine Months Ended or as of September 30, 2026	Nine Months Ended or as of September 30, 2025	Year Ended or as of December 31, 2025
Cash	$ 109,293	$ 51,371	$ 76,423
Restricted cash	13,766	9,090	12,420
Working capital	76,934	10,215	42,938
Net loss	(74,855)	(40,921)	(56,991)
Net cash used in operating activities	(21,121)	(3,479)	(9,149)
Purchase of property, plant and equipment and deposits on equipment	(28,854)	(18,036)	(31,719)

As of September 30, 2026, we had $109.3 million of cash available to fund our operations, positive working capital of approximately $76.9 million, and a consolidated accumulated deficit of approximately $434.6 million

As of September 30, 2026, we had total debt outstanding of approximately $16.7 million as summarized further below in the Debt table, of which approximately $14.4 million is classified as current. On October 22, 2026, we repaid the remaining Generate borrowings in full. We were also committed to approximately $2.3 million of capital expenditures through SDI and Soluna HPC, primarily for Project Kati 2 and Dorothy 3.

Separately, our subsidiary Soluna Cloud's subsidiary, CloudCo, has recognized a liability of approximately $19.3 million for the remaining unpaid amounts under its agreement with Hewlett Packard Enterprise ("HPE"). The liability resulted from CloudCo's and HPE's respective terminations of the agreement in March 2025 and the acceleration of amounts under Section 8(h)(ii) of that agreement. The liability is an obligation of CloudCo and has not been guaranteed by Soluna Holdings, Inc. or its other subsidiaries. CloudCo has not made any payments on this liability.

Our current liabilities as of September 30, 2026 includes $9.4 million of borrowings, net of debt discount and issuance costs under the Amended Credit Agreement classified as current as a result of the covenant matters described in Note 10; Generate had not accelerated the obligations. Subsequent to September 30, 2026, on October 22, 2026, the Company prepaid in full the Tranche C Loan, for an aggregate prepayment amount of approximately $15.2 million, inclusive of $0.1 million of accrued and unpaid interest, a prepayment premium of approximately $3.4 million, $11.7 million of the outstanding principal balance and all other amounts then due under the Amended Credit Agreement. As such, the Company has repaid the Generate loan facility in full retiring the Generate portion of debt and released the liens on project assets as of the date of this Quarterly Report on Form 10-Q.

We will require substantial additional capital in the foreseeable future, primarily to develop our HPC campuses. Our development activity and capital commitments are now directed mainly to Soluna HPC, which is developing AI-ready data center campuses at Project Kati 2 and Project Dorothy 3 for lease to hyperscale and AI-focused cloud customers. As of September 30, 2026, we were contractually committed to approximately $2.3 million of capital expenditures, primarily for Project Kati 2 and Dorothy 3. Developing these campuses will require financing substantially in excess of these amounts. We expect to fund it through project-level equity and debt and joint venture structures, such as our pending joint venture with Applied Digital at Dorothy 3. We have engaged an investment bank to assist with capital formation for Project Kati 2. Soluna Digital, our Bitcoin hosting, mining and demand response business, continues to generate substantially all of our revenue, and we expect it to fund a portion of our operations. Our capital needs for Soluna Digital are primarily for maintaining and optimizing our existing 206 MW of operating capacity and for converting load to HPC use where our power position supports it.

In 2025 and 2026, we had the following capital raise activities:

(Dollars in millions, except share amounts)	Capacity	Raised through December 31, 2025	2026 shares issued for nine months ended September 30, 2026	2026 net proceeds for the nine months ended 2026	Subsequent to September 30, 2026 net proceeds
ATM Agreement (Wainwright) (1)	$ 500	$ 34.2	104,569,753	$ 151.2	$ 1.8
2024 SEPA (YA) (2)	$ 25	$ 6.2	10,237,605	$ 18.9	$ —
2026 SEPA (YA)	$ 250	—	—	—	—
July 2025 public offering (3)	–	$ 5.0	—	—	—
July 2025 warrant exercises (3)	–	$ 10.0	—	—	—
December 2025 public offering (3)	–	$ 32.0	—	—	—

(1) Originally up to $87.65 million. On March 9, 2026, we filed a prospectus under which we may sell up to $500 million of common stock through Wainwright. Net proceeds are after sales agent commissions and legal fees.

(2) YA agreed to purchase an aggregate gross purchase price of up to $25 million under the 2024 SEPA.

(3) Gross proceeds.

For the remainder of 2026, we plan to continue funding operations, including operating deficits, from operating cash flows and cash flow from debt and equity financings, including the ATM Agreement, 2026 SEPA, additional borrowings, and others to be closed as needed consistent with management's plans.

The Company is dependent on generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations and executing our growth strategy when they come due. In the near term, management is evaluating and implementing different strategies to obtain financing to fund the Company's expenses and growth to achieve a level of revenue adequate to support the Company's current cost structure. Financing strategies may include, but are not limited to, stock issuances, project level equity, debt borrowings,

partnerships and/or collaborations. If the Company is unable to meet its financial obligations, it could be forced to restructure or refinance, seek additional equity capital or sell its assets. The Company might then be unable to obtain such financing or capital or sell its assets on satisfactory terms. There can be no assurance that additional financing will be available to the Company when needed or, if available, that it can be obtained on commercially reasonable terms. If the Company is not able to obtain the additional financing on a timely basis, if and when it is needed, it will be forced to delay or scale down some or all of its development activities or perhaps even cease the operation of its business.

Dilution Protection (True-Up) Agreements

Our True-Up Agreements with certain executive officers, employees and directors (see Note 14) provide for periodic grants of restricted common stock equal to a specified percentage of certain equity issuances during rolling quarterly measurement periods. Based on equity issuances through September 30, 2026, approximately 62.0 million additional shares of restricted common stock may be granted under the True-Up Agreements. These grants remain subject to Compensation Committee approval, the recipients' continued service and the continuation of the program, which the Compensation Committee may terminate at any time. Accordingly, no compensation cost has been recognized for them as of September 30, 2026. The grants would be non-cash and would not affect our liquidity. If made, they would result in significant dilution to existing stockholders as they vest, in addition to shares issued under the ATM Agreement and the 2026 SEPA, and would result in additional stock-based compensation expense, which could be material.

Operating Activities

Net cash used in operations was approximately $21.1 million during the nine months ended September 30, 2026. The Company had a net loss for the nine months ended September 30, 2026 of approximately $74.9 million. Non-cash items mainly included approximately $8.5 million of depreciation expense, $7.1 million of amortization expenses, $35.6 million of stock compensation expenses, and $9.9 million of loss on extinguishment of debt, offset with a deferred tax benefit of $2.7 million and a gain on settlement of transformers of $1.4 million. The other non-cash items were not material. The change in asset and liabilities of $6.9 million mainly relates to increases in prepaid expenses and other current assets of $3.1 million in relation to prepaid utility expense for Project Kati 1, and timing of energy deposits, in addition to a decrease in accounts payable of $2.6 million related to payment of invoices, and a decrease in accrued expenses of $2.0 million mainly related to payment of legal and professional fees, and salary bonuses. The other changes in assets and liabilities were not material.

Net cash used by operations was approximately $3.5 million during the nine months ended September 30, 2025. The Company had a net loss for the nine months ended September 30, 2025 of approximately $40.9 million. Non-cash items included approximately $4.9 million of depreciation expense, $7.1 million of amortization expenses, $22.0 million in fair value adjustments mainly related to warrants being exercised, and $5.7 million of stock compensation expenses. These non-cash items were offset with a deferred tax benefit of $1.7 million and gain on extinguishment of debt of approximately $10.7 million. The change in asset and liabilities of $8.4 million mainly relates to increase in accrued expense of $5.2 million in relation to increase in construction fees for Project Kati and Dorothy 2, legal fees, financing costs, and bonus accrual, and $1.6 million in accrued interest expense. In addition, there was a $2.0 million increase in accounts payable due to timing and billing of invoices, and a $2.1 million increase in customer deposits due to new contract agreements being entered into. The other changes in assets and liabilities of approximately $885 thousand mainly related to increase in accounts receivable and other current assets related to timing and billing amounts of invoices, in addition with payment made to HPE in January, offset decrease in other long-term assets of $1.6 million in relation to receipt of Briscoe deposit in January 2025.

Investing Activities

Net cash used in investing activities during the nine months ended September 30, 2026 was approximately $78.9 million consisting mainly of the Briscoe acquisition costs, net of cash acquired of approximately $51.4 million, capital expenditures of $19.5 million, which consist of additions to property, plant, and equipment mainly for Project Kati 1 offset with transfers from deposits on equipment, and $9.4 million deposit on equipment purchases. Net cash used in investing activities was offset by cash proceeds from the settlement of transformers and other equipment of approximately $1.5 million.

Net cash used in investing activities during the nine months ended September 30, 2025 was approximately $18.1 million consisting mainly of capital expenditures and deposits on equipment for D2.

Financing Activities

(Dollars in thousands)	Nine Months Ended September 30,					
	2026			2025		
	Gross Proceeds	Reductions	Net Proceeds	Gross Proceeds	Reductions	Net Proceeds
ATM and SEPA	$ 175,176	$ (5,044)	$ 170,132	$ 29,914	$ (939)	$ 28,975
Debt issuance and principal payments/ debt financing costs	24,500	(40,502)	(16,002)	18,434	(6,938)	11,496
Contributions from non-controlling interest	10,918	—	10,918	22,078	—	22,078
Distributions to non-controlling interest	—	(5,705)	(5,705)	—	(4,753)	(4,753)
Proceeds from warrant exercises	2,553	—	2,553	9,455	—	9,455
Net proceeds from financing offering	—	—	—	5,000	(636)	4,364
Payment on Series B dividend	—	(2,058)	(2,058)	—	—	—
Payment on finance lease liability	—	(170)	(170)	—	—	—
Payment on cost to acquire stock	—	(172)	(172)	—	—	—
Purchase of membership interest of Dorothy 1A and Dorothy 1B	—	(25,266)	(25,266)	—	—	—
Net cash provided by financing activities	$ 213,147	$ (78,917)	$ 134,230	$ 84,881	$ (13,266)	$ 71,615

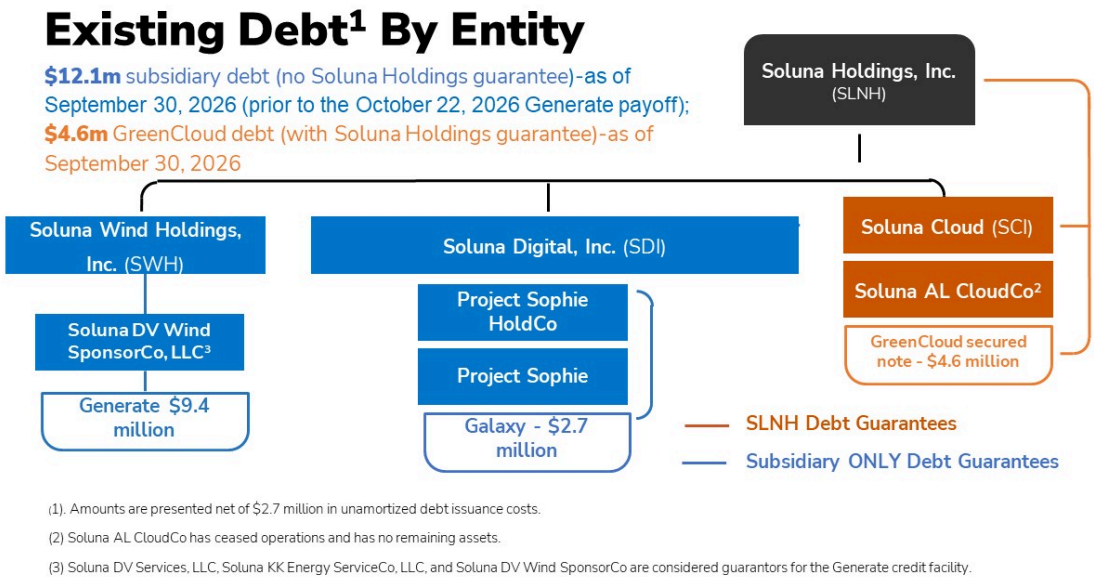
Net cash provided by financing activities was approximately $134.2 million for the nine months ended September 30, 2026 consisting of net proceeds from the 2024 SEPA and ATM of approximately $170.1 million, proceeds from debt of approximately $24.5 million, related to the Yorkville promissory note of $12.0 million and Generate Tranche C Loan of $12.5 million entered into the second quarter of 2026, in addition to contributions from SLC for non-controlling interest of Project Kati 1 of $10.9 million. The net cash provided by financing activities was offset mainly with payments on debt of approximately $40.5 million to the Generate debt and payoff of the Tranche A-1 and A-3 loans, Green Cloud Note, Galaxy principal debt costs, and Yorkville promissory note, the purchase of membership interest of D1A and D1B of approximately $25.3 million, non-controlling membership distributions to SLC and Navitas of approximately $5.7 million, and payment of the Series B dividend of approximately $2.1 million.

Net cash provided by financing activities was approximately $71.6 million for the nine months ended September 30, 2025 consisting mainly of $18.4 million of debt issuance proceeds, $29.0 million of net proceeds from SEPA draws and ATM Agreement settlements, net proceeds of $4.4 million from the July financing offering, $9.5 million net proceeds from warrant exercises, and $22.1 million of contributions from non-controlling interest, offset with cash distributions to non-controlling interest members of approximately $4.8 million and payments on debt and deferred financing costs of approximately $6.9 million to the Green Cloud Secured Loan, Generate debt issuance costs, Galaxy principal and deferred financing costs, CloudCo Additional Secured Loan, and the Navitas term loan.

Debt

The following balances are presented net of unamortized debt issuance costs of approximately $2.7 million and $2.9 million as of September 30, 2026 and December 31, 2025, respectively.

(Dollars in thousands)	September 30, 2026	December 31, 2025
Generate loan	$ 9,424	$ 13,926
Green Cloud Note	4,589	7,473
Galaxy Loan	2,695	4,283
Equipment/ Land Purchase loan	—	1,075
Total Debt	$ 16,708	$ 26,757



(1). Amounts are presented net of $2.7 million in unamortized debt issuance costs.

(2) Soluna AL CloudCo has ceased operations and has no remaining assets.

(3) Soluna DV Services, LLC, Soluna KK Energy ServiceCo, LLC, and Soluna DV Wind SponsorCo are considered guarantors for the Generate credit facility.

Generate loan

On September 12, 2025, the Company caused its subsidiaries Soluna DVSL ComputeCo, LLC ("Dorothy 1A Borrower"), Soluna DVSL II ComputeCo, LLC ("Dorothy 2 Borrower"), and Soluna KK I ComputeCo, LLC ("Tranche B Borrower" and collectively with Dorothy 1A Borrower and Dorothy 2 Borrower, the "Borrowers") to enter into a Credit and Guaranty Agreement (the "Credit Agreement") with Generate Lending, LLC, as administrative agent and collateral agent (the "Agent"), and Generate Strategic Credit Master Fund I-A, L.P. (the "Lender"). The Credit Agreement provides for senior secured term loan commitments in an aggregate principal amount of up to $35.5 million, comprised of (i) Tranche A-1 ($5.5 million), (ii) Tranche A-3 ($11.5 million), and (iii) Tranche B ($18.5 million). In addition, the Credit Agreement permits the Borrowers to request one or more Additional Tranche Loan Commitments (as defined in the Credit Agreement), in the aggregate amount of up to $64.5 million, subject to the approval of the Lender and the Agent, for project-level financing of eligible projects. On April 1, 2026, in connection with the Briscoe Project Acquisition, the Company caused the Existing Borrowers and the Tranche C Borrower (collectively, the "Borrowers") to enter into Consent and Amendment No. 1 to the Credit Agreement and Amendment No. 1 to the Pledge Agreement (the "Amendment", and the Credit Agreement, as amended by the Amendment, the "Amended Credit Agreement") with the Agent and the Lender. The Amendment became effective on April 1, 2026 (the "First Amendment Effective Date"). Among other changes, the Amendment: (i) adds the Tranche C Borrower as a new borrower and guarantor; (ii) establishes Tranche C loan commitments of $12.5 million to finance the Briscoe Project Acquisition and adjusts the Tranche B loan commitments to be changed from $18.5 million to $6.0 million ; (iii) adds the Briscoe Project Company as a guarantor following the

acquisition; and (iv) includes the Briscoe Project as a new project under the Amended Credit Agreement. As of September 30, 2026, the Borrowers borrowed approximately $29.5 million under the Credit Agreement, comprised of Tranche A-1 loans, Tranche A-3 loans, and Tranche C loans.

On August 10, 2026, Soluna DVSL ComputeCo, LLC and Soluna DVSL II ComputeCo, LLC prepaid in full the Tranche A-1 Loans and Tranche A-3 Loans, respectively, in the aggregate total prepayment amount of approximately $19.1 million, inclusive of accrued and unpaid interest, the applicable prepayment premium of $3.9 million, $15.2 million of the outstanding principal balance and all other amounts then due under the Amended Credit Agreement. Following the prepayment, the Forward Contracted DSCR requirement no longer applies to these borrowers; the related pledges and security interests will not be released until the Debt Termination Date under the Amended Credit Agreement. As of September 30, 2026, the outstanding principal balance is approximately $11.7 million.

On October 22, 2026, Soluna DV Wind SponsorCo, LLC prepaid in full the Tranche C Loans, for an aggregate prepayment amount of approximately $15.2 million, inclusive of $0.1 million of accrued and unpaid interest, a prepayment premium of approximately $3.4 million, $11.7 million of the outstanding principal balance and all other amounts then due under the Amended Credit Agreement. As such, the Company has repaid the Generate loan facility in full retiring the Generate portion of debt and released the liens on project assets as of the date of this Quarterly Report on Form 10-Q.

Galaxy Loan

On March 12, 2025, the SW Borrower, a Delaware limited liability company and subsidiary of SW Holdings, itself a subsidiary of SDI, a Nevada corporation and wholly owned subsidiary of the Company, entered into the Galaxy Loan Agreement with SW Holdings and Galaxy. The Galaxy Loan Agreement provides for a term loan facility in the principal amount of $5.0 million (the “Term Loan Facility”). The Term Loan Facility bears interest at a rate of 15.0% per annum, subject to an increase of 5.0% (for a total of 20.0%) in the event an Event of Default has occurred and is continuing. The Term Loan Facility matures on March 12, 2030, subsequently amended to March 12, 2031, and includes scheduled payments over the term of the loan.

On August 14, 2026 (the “Second Amendment Effective Date”), SW Holdings, the SW Borrower and the other Loan Parties entered into a Second Amendment to Loan Agreement (the “Second Amendment”) with the Lender. Immediately prior to the Second Amendment, the outstanding principal balance of the Term Loan Facility was approximately $4.1 million. In connection with the Second Amendment, the SW Borrower made a $1.0 million payment of principal (the “Principal Payment”), and the Lender agreed to (i) extend the maturity date of the Term Loan Facility from March 12, 2030 to March 12, 2031, (ii) reduce the SW Borrower's scheduled monthly principal payments (which otherwise would have risen to $100 thousand per month in the final year of the term) to a flat $37.5 thousand per month, with the then-outstanding principal balance due in full at the extended maturity date, (iii) reduce, solely with respect to the Principal Payment, the early payment premium described above to 25% of the interest that would otherwise have been payable on such amount through the original March 12, 2030 maturity date (rather than the 50% otherwise applicable to payments made prior to the 30-month anniversary of the closing date), (iv) reduce the minimum Debt Service Coverage Ratio financial covenant from 1.50 to 1.00 to 1.20 to 1.00, and (v) consent to the early termination of a hosting contract between the SW Borrower and one of its customers and waive any Default or Event of Default arising from that termination.

As of September 30, 2026, the outstanding principal balance is approximately $3.0 million. We were compliant with all Galaxy Loan debt covenants.

Green Cloud Note

On June 20, 2024, pursuant to the terms and subject to the conditions of a Note Purchase Agreement (the "June SPA") by and among (i) Soluna AL CloudCo, LLC, a Delaware limited liability company ("CloudCo") and indirect wholly owned subsidiary of the Company, (ii) Soluna Cloud, Inc., a Nevada corporation, indirect wholly owned subsidiary of the Company, and parent of CloudCo ("Soluna Cloud"), (iii) the Company and (iv) the accredited investor named therein (the "Investor"), CloudCo issued to the Investor a secured promissory note in a principal amount equal to $12.5 million (the “Green Cloud Note”). The Green Cloud Note accrues interest at a rate 9.0% per annum, subject to adjustment upon an event of default. The Green Cloud Note matures on June 20, 2027. In relation to the Green Cloud Note, as of September 30, 2026, the Company had an outstanding principal balance of approximately $4.7 million.

Critical Accounting Policies and Significant Judgments and Estimates

The above discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. Note 2, Accounting Policies, to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2025 includes a summary of our most significant accounting policies. There have been no material changes to the critical accounting policies previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025. The preparation of these condensed consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses, and related disclosure of assets and liabilities. On an ongoing basis, we evaluate our estimates and judgments, including those related to revenue recognition, income taxes, fair value measurements, and stock-based compensation. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Periodically, our management reviews our critical accounting estimates with the Audit Committee of our Board of Directors.

Statement Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). Any statements contained in this Form 10-Q that are not statements of historical fact may be forward-looking statements. When we use the words "anticipate," "estimate," "plans," "projects," "continuing," "ongoing," "expects," "management believes," "we believe," "we intend," "should," "could," "may," "will" and similar words or phrases, we are identifying forward-looking statements. Such forward-looking statements include, but are not limited to, statements regarding:

- the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest;
- the ability to service debt obligations and maintain flexibility in respect of debt covenants;
- economic dependence on regulated terms of service and electricity rates;
- the speculative and competitive nature of the technology sector;
- ability of the Company to attract and retain hosted customers for its hosting operations;
- dependency in continued growth in blockchain and cryptocurrency usage;
- lawsuits and other legal proceedings and challenges;
- conflict of interests with directors and management;
- government regulations;
- the anticipated benefits and integration of the Briscoe Wind Farm acquisition that occurred on April 1, 2026;
- the ability of the Company to construct and complete the anticipated expansion of its data centers; and
- other risks and uncertainties discussed under the heading "Risk Factors" in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Forward-looking statements speak only as of the date they are made. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, and the rules and regulations thereunder, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) under the Exchange Act, our management, under the supervision and with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2026. Based on such evaluation, our principal executive officer and principal financial officer have concluded that, as of September 30, 2026, our disclosure controls and procedures were not effective at the reasonable assurance level due to the following material weakness:

Material Weakness in Internal Control and Plan for Remediation

As disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025, management identified a material weakness in our internal control over financial reporting that remained open as of September 30, 2026 related to control activities over balance sheet classification and presentation. Specifically, errors were identified related to (i) the classification of current and long-term debt, (ii) a lease classification and valuation, and (iii) an overstatement in deposits on equipment and current liabilities.

Remediation:

Our Board of Directors and management take internal control over financial reporting and the integrity of our financial statements seriously. Management continues to work to improve its controls related to our material weakness. The remediation actions include: (i) enhancing design and documentation related to complex transactions and control activities, and (ii) developing robust review procedures to ensure the proper recording and reporting of the complex transactions. To achieve the timely implementation of the above, management has commenced the following action and will continue to assess additional opportunities for remediation on an ongoing basis:

- Implement more robust internal policies and procedures relating to balance sheet presentations, with a specific focus on establishing reliable controls over lease accounting to ensure the accuracy of financial reporting.

The material weakness cannot be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. Therefore, to remediate our existing material weakness, we require additional time to complete the implementation and testing of our remediation plans and demonstrate the effectiveness of our remediation efforts.

We cannot provide any assurance that these remediation efforts will be successful or that our internal control over financial reporting will be effective as a result of these efforts. In addition, we continue to evaluate and work to improve our internal control over financial reporting related to the identified material weakness, and management may determine to take additional measures to address control deficiencies or determine to modify the remediation plan described above. We believe as of September 30, 2026, our condensed financial statements are fairly stated in all material respects in accordance with generally accepted accounting principles in the United States of America.

(b) Changes in Internal Control Over Financial Reporting

Other than the remediation efforts that are in process, there have been no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during our fiscal quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

At any point in time, we may be involved in various lawsuits or other legal proceedings. Such lawsuits could arise from the sale of products or services or from other matters relating to our regular business activities, compliance with various governmental regulations and requirements, or other transactions or circumstances.

Item 1A. Risk Factors

Part I, Item 1A (Risk Factors) of our most recently filed Annual Report on Form 10-K with the SEC, filed on March 30, 2026, and Part II, Item 1A (Risk Factors) of our Form 10-Q for the quarter ended June 30, 2026, filed on August 13, 2026, sets forth information relating to important risks and uncertainties that could materially adversely affect our business, financial condition and operating results. There have been no material changes to our risk factors disclosed in our most recently filed Annual Report on Form 10-K and our Form 10-Q for the quarter ended June 30, 2026, except for the items discussed below. Those risk factors continue to be relevant to an understanding of our business, financial condition and operating results, however, and, accordingly, you should review and consider such risk factors in making any investment decision with respect to our securities.

The closing of our joint venture with Applied Digital at Project Dorothy 3 is subject to conditions that may not be satisfied, and if the transaction does not close, we may be required to reimburse up to $45 million of Applied Digital's development costs.

In October 2026, we entered into a Subscription Agreement with affiliates of Applied Digital Corporation ("Applied") to form a jointly owned company to develop the first phase of Project Dorothy 3. The closing is subject to conditions, many of which are outside our control. These include the issuance of title policies, internal approvals by Applied, ChronoScale Holdings Corporation and their affiliates, and the negotiation and execution of the joint venture's operating agreement, a data center lease and other ancillary agreements. The county tax abatement condition was satisfied on November 9, 2026, when the the Briscoe County Commissioners Court approved a Chapter 312 tax abatement agreement for Phase 1 of Dorothy 3. The closing is expected to occur by December 1, 2026, and either party may terminate the Subscription Agreement if it has not occurred by that date, subject to limited extensions to no later than December 31, 2026.

Before closing, Applied is funding development work at the site and the procurement of certain long-lead equipment. If the closing does not occur and the Subscription Agreement is terminated, our subsidiary will be obligated to reimburse Applied for 80% of these funded costs, up to $45 million and any interest, under a reimbursement schedule. Any such reimbursement would reduce the cash available for our other development projects and operations.

If the transaction closes, we will hold a 49% interest in the joint venture and Applied will hold the controlling 51% interest. As a result, we will not control the joint venture's development, financing, operating or distribution decisions. Our returns will depend on Applied's performance, on the joint venture's ability to secure and perform under a lease with a single tenant, and on the timely completion of the project which includes the delivery of long-lead equipment, as described in our Annual Report on Form 10-K for the year ended December 31, 2025. We may also be required to make additional capital contributions, and disputes with Applied could delay or impair the project.

Changes in laws, regulations and governmental policies affecting data centers and power generation could delay or limit our development activities and adversely affect our business.

Our business, assets and operations are subject to evolving laws, regulations and governmental policies affecting data centers, power generation and related infrastructure. Changes in federal, state or local administrations, regulatory priorities or enforcement practices may increase uncertainty and result in additional or more restrictive requirements.

A significant portion of our data center development pipeline is located in Texas within the Electric Reliability Council of Texas ("ERCOT") region. Texas Senate Bill 6, adopted in 2025, and rules adopted by the Public Utility Commission of Texas ("PUCT") establish financial, interconnection and operational requirements for certain large-load customers, including data centers, seeking new or expanded electric service. In addition, on August 3, 2026, the Governor of Texas directed ERCOT and the PUCT to conduct additional verification and review of data center projects advancing through ERCOT's large-load interconnection process. ERCOT has implemented a verification process and temporarily paused certain approvals pending completion of that process. The duration and outcome of this process remain uncertain and may delay or otherwise adversely affect projects in our Texas pipeline.

More broadly, state and local governments have adopted or are considering moratoria, zoning restrictions, heightened permitting requirements and other land use limitations that could prohibit, delay or increase the cost of developing data centers, battery energy storage systems, gas-fired generation facilities and related infrastructure. These measures may be driven by concerns regarding electric grid reliability, water usage, noise, visual impacts, property values, agricultural land use, fire risks and the perceived local economic benefits of such facilities. Changes in tax policy, utility rates, interconnection requirements, curtailment rules or other regulatory requirements could also increase costs or reduce the economic viability of our projects.

We cannot predict whether additional restrictions will be adopted in locations where we are developing or expect to develop projects, including Texas. Such restrictions could delay or prevent us from obtaining permits or completing construction, impair our interconnection queue positions, delay energization, or prevent us from co-locating power generation with our data center facilities. As a result, we may be unable to satisfy ready-for-service ("RFS") conditions or convert backlog into revenue on our expected timeline, or at all. We may also be required to abandon or relocate projects, incur additional development costs or write off amounts spent on land acquisition, permitting, engineering and equipment. Any of these developments could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Arrangements and Non-Rule 10b5-1 Trading Arrangements

During the fiscal quarter ended September 30, 2026, none of our officers or directors, as those terms are defined in Rule 16a-1(f), adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit No.	Description
3.1	Certificate of Amendment, dated October 16, 2026, to the Articles of Incorporation of Soluna Holdings, Inc. (incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on October 19, 2026)
10.1	Limited Waiver, Consent, and Amendment No. 3 to Credit Agreement between Soluna and Generate Lending, LLC, dated August 6, 2026 (incorporated by reference to the Company's Report on Form 10-Q filed with the SEC on August 13, 2026).
10.2	Subscription Agreement, dated as of October 20, 2026, by and among Soluna Holdings, Inc., Soluna HPC D3 STX HoldCo, LLC, Soluna STX Borrower HoldCo, LLC, APLD Intermediate HoldCo LLC, APLD STX Holdings LLC, STX JV Holdings LLC and Soluna DV Services, LLC. (incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on October 21, 2026).
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

All other exhibits for which no other filing information is given are filed herewith.

* Submitted electronically herewith. Attached as Exhibit 101 are the following materials from the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, formatted in eXtensible Business Reporting Language (XBRL) and tagged as blocks of text and including detailed tags: (i) Condensed Consolidated Balance Sheets at September 30, 2026 and December 31, 2025; (ii) Condensed Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2026 and 2025; (iii) Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2026 and 2025; and (iv) related notes.
** Annexes, schedules and/or exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to furnish supplementally a copy of any of the omitted schedules and exhibits to the SEC on a confidential basis upon request.
^ The Company has omitted portions of the referenced exhibit pursuant to Item 601(b) of Regulation S-K, because they (a) are not material and (b) are the type that the Company treats as private or confidential.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Soluna Holdings, Inc.

Date November 16, 2026

By: */s/ John Belizaire*

John Belizaire
Chief Executive Officer

By: */s/ Michael Picchi*

Michael Picchi
Chief Financial Officer

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John Belizaire, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Soluna Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 16, 2026

/s/ John Belizaire

John Belizaire
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Picchi certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Soluna Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 16, 2026

/s/ Michael Picchi

Michael Picchi
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Soluna Holdings, Inc.
Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)

In connection with the Quarterly Report on Form 10-Q of Soluna Holdings, Inc. (the "Company") for the three and nine month period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Belizaire, Chief Executive Officer of the Company, certify, pursuant to the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, (18 U.S.C. Sections 1350(a) and (b)), that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 16, 2026

/s/ John Belizaire

John Belizaire
Chief Executive Officer
(Principal Executive Officer)

This certification is made solely for the purpose of 18 U.S.C. Section 1350, and is not being filed as part of the Report or as a separate disclosure document, and may not be disclosed, distributed or used by any person for any reason other than as specifically required by law.

Exhibit 32.2

Soluna Holdings, Inc.
Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)

In connection with the Quarterly Report on Form 10-Q of Soluna Holdings, Inc. (the "Company") for the three and nine month period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Picchi Chief Financial Officer of the Company, certify, pursuant to the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, (18 U.S.C. Sections 1350(a) and (b)), that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 16, 2026

/s/ Michael Picchi

Michael Picchi
Chief Financial Officer
(Principal Financial Officer)

This certification is made solely for the purpose of 18 U.S.C. Section 1350, and is not being filed as part of the Report or as a separate disclosure document, and may not be disclosed, distributed or used by any person for any reason other than as specifically required by law.