



EcoChain and Soluna Investment Highlights

As mentioned in a separate press release of Mechanical Technology, Incorporated (“MTI” or the “Company”), dated January 17, 2020, MTI has established a new business line, and made an accompanying strategic investment, focused on the cryptocurrency and blockchain ecosystem. Operative agreements associated with the new business line and the investment (discussed below) were entered into on January 13, 2020. Highlights with respect to such business line and investment include:

- MTI has formed EcoChain, Inc., a Delaware corporation wholly owned by MTI (“EcoChain”), to carry out the new business line. EcoChain has entered into a strategic relationship with Soluna Technologies, Ltd. (“Soluna”), a Canadian company that develops vertically-integrated, utility-scale computing facilities focused on cryptocurrency mining and cutting-edge blockchain applications, to assist with developing the business line. Specifically, EcoChain and Soluna have entered into an Operating and Management Agreement providing that, in exchange for a one-time fee and revenue-based payments, Soluna will assist EcoChain with developing means to efficiently and effectively mine cryptocurrency.
- MTI has invested \$500,000 in Soluna through the purchase of Class A Preferred Shares of Soluna. MTI also entered into a Contingent Rights Agreement with Soluna pursuant to which MTI (i) is obligated to purchase an additional \$250,000 worth of Soluna Class A Preferred Shares following Soluna’s achievement of certain development milestones with respect to EcoChain, and (ii) has the option to purchase additional Class A Preferred Shares following Soluna’s securing of certain levels of project financing with respect to wind power generation facilities it is developing.
- Several of Soluna’s equityholders are affiliated with Brookstone Partners, the investment firm that holds an equity interest in MTI through Brookstone Partners Acquisition XXIV, LLC. Certain Brookstone-affiliated directors that serve on the board of directors of MTI also serve as directors or officers of Soluna. The various transactions described above were negotiated on behalf of MTI and EcoChain via an independent investment committee of the MTI board of directors and the separate legal representation of Couch White, LLP, a New York-based law firm, and Dentons, an international law firm with offices in Canada. The transactions were subsequently unanimously approved by both the independent investment committee and the full board of directors of MTI.