

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

FORM 8-K

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

Date of Report (Date of earliest event reported): September 10, 2025

DATA STORAGE CORPORATION

(Exact name of registrant as specified in its charter)

(Former Name of Registrant)

| | | |
|--|--------------------------|--------------------------------------|
| Nevada | 001-35384 | 98-0530147 |
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification Number) |

225 Broadhollow Road, Suite 307
Melville, New York 11747
(Address of principal executive offices) (zip code)

(212) 564-4922
(Registrant’s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4I under the Exchange Act (17 CFR 240.13I(c))

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 | DTST | The Nasdaq Capital Market |
| Warrants to purchase shares of Common Stock, par value \$0.001 per share | DTSTW | The Nasdaq Capital Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

☐ 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. ☐

Item 1.01. Entry into a Material Definitive Agreement.

Asset Contribution Agreement

As previously announced, on July 11, 2025, Data Storage Corporation, a Nevada corporation (the “**Company**”) entered into a unit purchase agreement (the “**Purchase Agreement**”), by and among the Company, CloudFirst Technologies Corporation, a wholly-owned subsidiary of the Company (“**CloudFirst Delaware**”), DTST Sub, LLC (n/k/a CloudFirst Global LLC), a newly formed Delaware limited liability company that is a wholly-owned subsidiary of CloudFirst Delaware (“**NewCo**”), and Total Server Solutions Holdings, LLC (the “**Purchaser**”), pursuant to which the Company and CloudFirst Delaware agreed to sell the Company’s cloud solutions business (the “**Business**”), which represents the sale of substantially all of the Company’s assets and will include the sale of all of the assets of CloudFirst Delaware, including the transfer of 100% of the outstanding equity interests of CloudFirst Europe Ltd., together with the assets necessary to operate the Business (collectively, the “**Contributed Assets**”). The transactions contemplated by the Purchase Agreement are hereinafter referred to as the “**Divestiture**.” Consummation of the Divestiture was subject to certain conditions, including the approval of the Company’s stockholders.

As further described in Item 5.07 of this Current Report on Form 8-K (this “**Current Report**”), at the Company’s 2025 annual meeting of stockholders (the “**2025 Annual Meeting**”), held on September 10, 2025, a majority of the Company’s outstanding shares of common stock approved the Divestiture. Following such approval and in accordance with the Purchase Agreement, on September 11, 2025, the Company entered into an asset contribution agreement (the “**Contribution Agreement**”), with CloudFirst Delaware, Flagship Solutions, LLC, a wholly-owned subsidiary of the Company, Secure Infrastructure & Services LLC and NewCo, pursuant to which all of the Contributed Assets necessary to run the Business were contributed to NewCo. Following the consummation of the transactions contemplated by the Contribution Agreement and pursuant to the terms of the Purchase Agreement, on September 11, 2025 (the “**Closing Date**”), the Divestiture was consummated. At the closing of the Divestiture, Purchaser: (i) purchased all of the outstanding units of NewCo in exchange for the purchase price of \$40 million, as adjusted in accordance with the Purchase Agreement, and (ii) assumed the Assumed Liabilities, as such term is defined in the Contribution Agreement. Following the Divestiture, the Business is no longer a part of the Company’s operations. The only remaining operating subsidiary of the Company is Nexxis, Inc., a telecommunications and data access company that generated approximately \$1.1 million in sales for the fiscal year ended December 31, 2024.

The foregoing description of the Purchase Agreement and Contribution Agreement are summaries only, do not purport to be complete and are subject to, and qualified in their entirety by reference to, the full text of the such agreements. A copy of the Purchase Agreement was filed as Exhibit 2.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission (the “**Commission**”) on July 15, 2025 and is incorporated by reference herein and a copy of the Contribution Agreement is filed as Exhibit 10.1 to this Current Report and is incorporated by reference herein.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The Divestiture

As discussed in Item 1.01 of this Current Report, on the Closing Date, the Company consummated the transactions contemplated by the Purchase Agreement, including the entry into the Contribution Agreement and the sale of all of the outstanding units of NewCo to Purchaser. At the closing of the Divestiture, the Purchaser paid to the Company an amount in cash equal to \$40 million (the “**Base Purchase Price**”), minus \$1,500,000 (the “**Escrow Amount**”), which includes \$1,000,000 for the Indemnity Escrow Amount referred to in the Purchase Agreement and \$500,000 for the Adjustment Escrow Amount referred to in the Purchase Agreement (collectively, the “**Escrow Amount**”), which Escrow Amount was deposited by Purchaser on the Closing Date with PNC Bank, National Association, as escrow agent (the “**Escrow Agent**”). The Escrow Amount will be held by the Escrow Agent in accordance with the terms of the Purchase Agreement and an escrow agreement entered into by and among the Purchaser, the Seller Representative and the Escrow Agent at the closing of the Divestiture (the “**Escrow Agreement**”), for purposes of holding and applying the Escrow Amount. The Closing Payment is calculated as follows: the Base Purchase Price minus the Escrow Amount minus the Estimated Aggregate Adjustment Amount is the “**Closing Payment**”). The Estimated Aggregate Adjustment Amount is equal to the Estimated Closing Date Debt plus the Estimated NWC Adjustment Amount, as such terms are defined in the Purchase Agreement.

Post-Closing Adjustments

No later than ninety (90) days following the Closing Date, Purchaser will prepare and deliver to Charles Piluso, as the representative of the Company, CloudFirst Delaware and NewCo, together with their respective successors, executors, administrators, estate, heirs and assigns (the “***Seller Indemnifying Parties***”) and as their attorney-in-fact (the “***Seller Representative***”): (i) a Closing Balance Sheet, as such term is defined in the Purchase Agreement; and (ii) a certificate setting forth Purchaser’s good faith calculation of the Closing Date Debt and the Closing Date Net Working Capital, as such terms are defined in the Purchase Agreement (the Closing Balance Sheet and the calculations of the Closing Date Debt and the Closing Date Net Working Capital are referred to as the “***Closing Financial Data***”). After receipt of the Closing Financial Data, the Seller Representative will have forty-five (45) days (the “***Review Period***”) to review and, if applicable, dispute the Closing Financial Data, together with the books and records and work papers and assumptions used in preparation of the Closing Financial Data. If timely and properly disputed, the Seller Representative and Purchaser must, for fifteen (15) days (or such longer period as may be agreed to in writing by the parties) following such notice (the “***Resolution Period***”), attempt in good faith to resolve their differences. If, at the conclusion of the Resolution Period, there are any amounts remaining in dispute as to the Closing Date Balance Sheet, Closing Date Debt or the Closing Date Net Working Capital, then all amounts remaining in dispute will be submitted to EisnerAmper or such other accounting firm mutually selected by the Company and Purchaser (the “***Independent Accountants***”) within ten (10) days after the expiration of the Resolution Period.

If the amount of the Closing Date Debt (as finally determined pursuant to Section 2.06 of the Purchase Agreement) exceeds the amount of the Estimated Closing Date Debt, the Company and CloudFirst Delaware, jointly and severally, agreed to pay to Purchaser or, at Purchaser’s sole discretion, to NewCo, an amount equal to such excess. If the amount of the Closing Date Debt is less than the amount of the Estimated Closing Date Debt, then Purchaser agreed to pay or cause NewCo, to pay to CloudFirst Delaware an amount equal to such difference. Any such difference between the Closing Date Debt and the Estimated Closing Date Debt is referred to as the “***Closing Date Debt Adjustment Amount***.”

If the amount of the Closing Date Net Working Capital (as finally determined pursuant to Section 2.06 of the Purchase Agreement) is less than the amount of the Estimated Closing Date Net Working Capital, then the Company and CloudFirst Delaware, jointly and severally, agreed to pay to Purchaser or, at Purchaser’s sole discretion, to NewCo, an amount equal to such difference. If the amount of the Closing Date Net Working Capital exceeds the amount of the Estimated Closing Date Net Working Capital, then Purchaser shall pay or cause NewCo to pay to CloudFirst Delaware an amount equal to such excess. Any difference between the Closing Date Net Working Capital and the Estimated Closing Date Net Working Capital is referred to as the “***Closing Date Net Working Capital Adjustment Amount***.”

If any post-closing payments are due to Purchaser, it shall first seek recovery therefor out of the Adjustment Escrow Amount and the Company and CloudFirst Delaware will only be responsible for such payment(s) to the extent in excess of the Adjustment Escrow Amount held by the Escrow Agent therefor. Upon the final determination of both the Closing Date Debt Adjustment Amount and the Closing Date Net Working Capital Adjustment Amount in accordance with the terms of the Purchase Agreement, Purchaser, the Company and CloudFirst Delaware agreed to provide joint written instructions to the Escrow Agent to release funds from the Adjustment Escrow Amount to the applicable parties entitled to payment.

The foregoing description of the Purchase Agreement is a summary only, does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of such agreement, a copy of which was filed as Exhibit 2.1 to the Current Report on Form 8-K filed with the Commission on July 15, 2025 and is incorporated by reference herein.

Item 5.07. Submission of Matters to a Vote of Security Holders.

At the 2025 Annual Meeting held on September 10, 2025, the stockholders voted on six proposals, each of which is listed below and described in more detail in the Company's definitive proxy statement on Schedule 14A for the 2025 Annual Meeting filed with the Commission on August 8, 2025 (the "**Proxy Statement**"). With respect to each proposal, holders of the Company's Common Stock were entitled to cast one vote per share of Common Stock held as of the close of business on the record date of August 7, 2025 (the "**Record Date**"). On the Record Date there were 7,207,031 shares of the Company's Common Stock issued and outstanding and entitled to vote at the 2025 Annual Meeting.

The final results for Proposals 1, 2, 3, 4, 5 and 6 as set forth in the Proxy Statement and presented at the 2025 Annual Meeting were as follows:

Proposal 1 — Divestiture Proposal

The stockholders approved the Divestiture of the Company's cloud solutions Business, which represents the sale of substantially all of the Company's assets and will include the sale of all of the assets of the Company's CloudFirst business, including all of the assets held by CloudFirst Technologies Corporation and 100% of the outstanding equity interests of CloudFirst Europe Ltd., together with its assets necessary to operate the business (the "**Divestiture Proposal**").

| Votes For | Votes Against | Abstentions | Broker Non-Votes |
|-----------|---------------|-------------|------------------|
| 4,045,746 | 20,930 | 14,092 | 1,631,392 |

Proposal 2 — Election of Directors

The following ten (10) individuals were elected as directors, to serve until the Company's next annual meeting of stockholders and until their respective successors have been duly elected and qualified with the following votes:

| | For | Withheld | Broker Non-Votes |
|--------------------------|-----------|----------|------------------|
| Charles M. Piluso | 3,990,351 | 90,417 | 1,631,392 |
| Harold J. Schwartz | 3,964,156 | 116,612 | 1,631,392 |
| Thomas C. Kempster | 4,023,202 | 57,566 | 1,631,392 |
| John Argen | 3,978,267 | 102,501 | 1,631,392 |
| Lawrence A. Maglione Jr. | 3,952,644 | 128,124 | 1,631,392 |
| Matthew Grover | 4,027,401 | 53,367 | 1,631,392 |
| Todd A. Correll | 3,975,512 | 105,256 | 1,631,392 |
| Clifford Stein | 3,972,938 | 107,830 | 1,631,392 |
| Nancy Stallone | 3,975,065 | 105,703 | 1,631,392 |
| Uwayne Mitchell | 3,974,290 | 106,478 | 1,631,392 |

Proposal 3 — Auditor Ratification Proposal

The stockholders ratified and approved the appointment of Rosenberg Rich Baker Berman P.A. as the Company's independent registered public accounting firm for the year ending December 31, 2025 based on the votes listed below:

| Votes For | Votes Against | Abstentions | Broker Non-Votes |
|-----------|---------------|-------------|------------------|
| 5,685,933 | 13,846 | 12,381 | — |

Proposal 4 — Advisory Vote on Executive Compensation

The stockholders approved, on an advisory basis, the compensation of the Company's named executive officers. The results for this approved proposal are as follows:

| Votes For | Votes Against | Abstentions | Broker Non-Votes |
|-----------|---------------|-------------|------------------|
| 4,012,467 | 51,389 | 16,912 | 1,631,392 |

Proposal 5 — Advisory Vote on Divestiture-Related Compensation

The stockholders approved, on a non-binding advisory basis, the divestiture-related compensation that the Company's named executive officers to be received upon consummation of the Divestiture.

| Votes For | Votes Against | Abstentions | Broker Non-Votes |
|-----------|---------------|-------------|------------------|
| 3,915,151 | 157,775 | 7,842 | 1,631,392 |

Proposal 6 — Adjournment Proposal

The stockholders approved the adjournment of the 2025 Annual Meeting to a later date, if necessary or appropriate, to permit further solicitation and vote of proxies in the event that there are insufficient votes for, or otherwise in connection with, the approval of the Divestiture Proposal.

| Votes For | Votes Against | Abstentions | Broker Non-Votes |
|-----------|---------------|-------------|------------------|
| 5,468,635 | 233,639 | 9,886 | 1,631,392 |

Item 7.01. Regulation FD Disclosure.

On the Closing Date, the Company issued a press release announcing the consummation of the Divestiture and the related transactions contemplated by the Purchase Agreement. A copy of the press release is furnished as Exhibit 99.1 to this Current Report and is incorporated into this Item 7.01 by reference herein.

The information included under Item 7.01 of this Current Report (including Exhibit 99.1) is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise be subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information

Pro forma financial information regarding the Divestiture is filed as Exhibit 99.2 to this Current Report and is incorporated herein by reference.

(d) Exhibits.

| Exhibit Number | Description |
|----------------|---|
| 2.1* | Unit Purchase Agreement, dated July 11, 2025, by and among Data Storage Corporation, CloudFirst Technologies Corporation, CloudFirst Technologies, LLC, and Total Server Solutions Holdings, LLC (incorporated by reference to Exhibit 2.1 of the Current Report on Form 8-K filed by the Company on July 15, 2025) |
| 10.1* | Asset Contribution Agreement, dated September 11, 2025, by and among Data Storage Corporation, CloudFirst Technologies Corporation, Flagship Solutions, LLC, Secure Infrastructure & Services LLC and CloudFirst Global LLC |
| 99.1 | Press Release dated September 12, 2025 |
| 99.2 | Unaudited Pro Forma Condensed Consolidated Balance Sheet as of June 30, 2025, and the Unaudited Pro Forma Condensed Consolidated Statement of Operations for the Six Months Ended June 30, 2025 and for the years ended December 31, 2024 and 2023 |
| 104 | Cover Page Interactive Data File (embedded within the XBRL document) |

* Exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted exhibit to the SEC upon request.

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 hereunto duly authorized.

Dated: September 16, 2025

DATA STORAGE CORPORATION

By: /s/ Charles M. Piluso

Name: Charles M. Piluso

Title: Chief Executive Officer

ASSET CONTRIBUTION AGREEMENT

This Asset Contribution Agreement (this “**Agreement**”) is made as of September 11, 2025, by and among CloudFirst Technologies Corporation, a Delaware corporation (the “**Selling Entity**”), Flagship Solutions, LLC, a Florida Limited Liability Company (“**Flagship**”), Secure Infrastructure & Services LLC, a New York limited liability company (“**SIAS**”), Data Storage Corporation, a Nevada corporation (“**Parent**” and, together with the Selling Entity, Flagship and SIAS, the “**Contributing Parties**” and each, a “**Contributing Party**”), and CloudFirst Global LLC (f/k/a DTST Sub, LLC), a Delaware limited liability company (the “**Company**”). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Purchase Agreement (as defined below).

RECITALS

A. Parent is the current owner and holder of all of the issued and outstanding Equity Interests of the Selling Entity and Flagship, and the Selling Entity is the current owner and holder of all of the issued and outstanding Equity Interests of the Company and SIAS.

B. Parent, the Selling Entity, the Company and Total Server Solutions Holdings, LLC, a Delaware limited liability company (the “**Purchaser**”), are parties to that certain Unit Purchase Agreement, dated as of July 11, 2025 (the “**Purchase Agreement**”), pursuant to which, subject to the terms and conditions set forth therein, the Purchaser shall acquire all of the outstanding Equity Interests of the Company.

C. The Selling Entity operates the Business, and as contemplated by the Purchase Agreement, immediately prior to the consummation of the Closing under the Purchase Agreement, the Contributing Parties desire to contribute, transfer and assign to the Company, and the Company desires to receive and assume, respectively, the Contributed Assets and Assumed Liabilities (as defined below) relating to the Business, subject to the terms and conditions set forth in this Agreement.

AGREEMENT

In consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, including the transactions contemplated by the Purchase Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

1. Contributing Party Representations. Each of the Contributing Parties hereby makes the following representations and warranties as of the date hereof and the Effective Time (as defined below).

(a) Existence and Qualification. Each Contributing Party is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation. Each Contributing Party has the full corporate or limited liability company power and authority to own, lease and operate its property and assets and carry on its business as now being conducted. Each Contributing Party is duly qualified or licensed to do business as a foreign company, in good standing in all jurisdictions in which the character or the location of the assets owned, leased or used by it or the nature of the business conducted by it requires such licensing or qualification, except where failure to have the approvals or to be so qualified or licensed would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect as defined in the Purchase Agreement. The Organizational Documents of each Contributing Party are in full force and effect and such Contributing Party is not in breach or violation of any of its Organizational Documents.

(b) Authority; Validity. Each Contributing Party has all requisite limited corporate or liability company power and authority necessary to enter into and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate or limited liability company and/or other action in respect thereof by the Contributing Parties. This Agreement has been duly executed and delivered by each Contributing Party and constitutes the legal, valid and binding obligations thereof, enforceable against it in accordance with their respective terms except as such enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors’ rights generally or general principles of public policy.

(c) No Conflicts. Except as set forth in the Company Disclosure Schedule, (i) no Contributing Party is required to give any notice to, or obtain any Approval in connection with, the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, and (ii) the execution and delivery of this Agreement and all agreements, documents and instruments executed and delivered by the Contributing Parties, the contribution and delivery of the Contributed Assets and other transactions contemplated by this Agreement, do not and will not: (A) violate or constitute a default (whether after the giving of notice, lapse of time or both) or loss of benefit under any Contract or obligation to which any Contributing Party is a party or by which their assets are bound, or any provision of the Organizational Documents of any Contributing Party, or cause the creation of any Encumbrance upon any of the assets of any Contributing Party; (B) violate, conflict with or result in a violation of, or constitute a default (whether after the giving of notice, lapse of time or both) under, any Legal Requirement applicable to any Contributing Party; or (C) violate or constitute a default (whether after the giving of notice, lapse of time or both) under, accelerate any obligation under, or give rise to a right of termination of, any agreement, permit, license or authorization to which any Contributing Party or any of their Subsidiaries is a party or by which any Contributing Party, is bound.

(d) Title: Sufficiency of Assets. Each Contributing Party has good and marketable title to the Contributed Assets being contributed by such Contributing Party pursuant to this Agreement, in each case free and clear of restrictions on or conditions to transfer or assignment, and free and clear of any and all Encumbrances. The Contributed Assets are adequate and sufficient for the current operations of the Businesses as currently conducted and as was conducted over the prior twelve (12) months, and the Contributed Assets constitute all of the assets used (or held for use) in the conduct of the Businesses.

(e) Brokers and Finders. There is no agent, broker, finder, or investment or commercial banker, or other Person or firm engaged by or acting on behalf of any Contributing Party in connection with the negotiation, execution or performance of this Agreement that is or will be entitled to any brokerage or finder's or similar fee or other commission as a result of this Agreement or the transactions contemplated hereby.

2. Company Representations. The Company hereby makes the following representations and warranties as of the date hereof and the Effective Time:

(a) The Company has the power, capacity and authority to execute this Agreement and to carry out the transactions contemplated hereby. The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance by the Company of this Agreement and the transactions contemplated hereby have been duly authorized and approved by the Company. No other action on the part of the Company is required and no consent or other action from any third party, is required to be obtained by the Company in connection herewith.

(c) This Agreement constitutes the legal, valid and binding obligations of the Company, enforceable against it in accordance with its terms except as such enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally or general principles of public policy.

3. Contribution of Assets. Effective as of immediately prior to, but subject to the consummation of, the Closing (the "**Effective Time**"), each of the Contributing Entities hereby contributes, conveys, transfers, assigns and delivers to the Company all of such Contributing Entity's right, title and interest in and to all of the Contributed Assets held thereby, free and clear of all Encumbrances, and the Company accepts, acquires and takes assignment and delivery of, all right, title and interest in and to the Contributed Assets, excluding, for the avoidance of doubt, the Excluded Assets.

4. Assumed Contracts; Identified Contracts. In furtherance of the foregoing Section 3, effective as of the Effective Time, each Contributing Party hereby assigns all of such Contributing Party's rights and interests under the Contracts which are listed beneath such Contributing Party's name on Schedule 4 of this Agreement (the "**Assumed Contracts**"), and the Company hereby accepts such assignment and assumes such rights and interests under such Assumed Contracts and agrees to be bound by the terms and conditions thereof. To the extent any Contract relating to the Business to which any Contributing Party is a party is not assumed by the Company as an Assumed Contract pursuant to this Section 4 and is subsequently determined by the Company to be necessary to, or desirable for, the conduct of the Business following the Closing or is otherwise to be assumed by the Company automatically pursuant to the terms hereof (each, an "**Identified Contract**"), then the Contributing Parties and the Company shall take such actions reasonably required to assign such Identified Contracts to the Company. Any Contracts so assumed by the Company in accordance with the foregoing sentence shall be deemed to be "Assumed Contracts" for all purposes under this Agreement from and after the date of its actual assumption.

5. Contributed Assets; Excluded Assets. For purposes of this Agreement, the term "**Contributed Assets**" shall mean, collectively, all right, title and interest in and to all of the assets properties, rights and claims (a) owned by either the Selling Entity, SIAS or Flagship or (b) used in connection with the Business and owned by Parent, including each of the Assumed Contracts (and each Identified Contract that becomes an Assumed Contract in accordance herewith); provided, that the Contributed Assets shall, in addition to the Assumed Contracts, include, without limitation, the assets listed on Schedule 5A; provided further that the term Contributed Assets shall not include (i) any Contract which is not explicitly identified as an Assumed Contract (other than Identified Contracts that become Assumed Contracts in accordance herewith as of the effective time such Identified Contracts are actually so assumed), or (ii) any of the assets listed on Schedule 5B of this Agreement (such Contracts described in clause (i) and such listed assets, collectively, the "**Excluded Assets**"), which Excluded Assets shall be retained by the applicable Contributing Party.

6. Assumed Liabilities; Excluded Liabilities. Effective as of the Effective Time, the Company hereby assumes and agrees to perform and discharge solely those liabilities or obligations which (a) both (i) are to be performed or discharged after the Closing, and (ii) arise under the Assumed Contracts with respect to operations of the Business after the Closing (including, but solely as of the date of its assumption, any Identified Contract that becomes an Assumed Contract) and do not arise out of any breach of contract, warranty, tort or violation of law by a Contributing Party, or (b) are explicitly set forth on (and, if applicable, in the amounts set forth on) Schedule 6, if any (collectively, the "**Assumed Liabilities**"). The Contributing Parties agree and acknowledge that no other liabilities or obligations of any Contributing Party, including any debt, are being assumed by the Company hereunder or otherwise (including any and all obligations not under the Assumed Contracts and any and all obligations arising on or prior to the Effective Time) (collectively, "**Excluded Liabilities**"). For avoidance of doubt, any liability or obligation relating to any Contributing Party's employees and/or contractors on or prior to the Closing (including in connection with termination of their employment by any Contributing Party) shall constitute an Excluded Liability and be retained by such Contributing Party. Except for the Assumed Liabilities, the Contributing Parties shall retain, pay and discharge when due, all liabilities or obligations of the Contributing Parties, and/or the Business of any kind or nature, known or unknown, accrued, absolute, contingent or otherwise, whatsoever and no such liabilities or obligations shall ever be deemed to be liabilities or obligations of the Company.

7. Company hereby grants to Parent a limited, royalty-free, non-transferable, non-sublicensable (except for the express purpose set forth below) license to the trademark CLOUDFIRST (U.S. Registration No. 7751832) (the "**Trademark**") solely for the purpose of providing Parent a license that it can sublicense to CloudFirst Technology Solutions, Inc. ("**TM Seller**") in order to allow Parent to fully and completely satisfy its obligations to provide a limited license to TM Seller pursuant to the terms of that certain Trademark Purchase Agreement ("**TM Purchase Agreement**") dated July 8, 2025, by and between Parent and TM Seller as in effect on such date (provided that the scope of the license hereunder shall not be modified as a result of any amendment, waiver or modification of the TM Purchase Agreement unless such amendment, modification or waiver is approved in writing by the Company following the date hereof). For avoidance of doubt, the duration of such license grant from the Company to Parent shall be coterminous with Parent's licensing obligations set forth in the TM Purchase Agreement. For purposes of clarification, Parent shall have the full and unfettered right to sublicense the Trademark to TM Seller as set forth under the TM Purchase Agreement, with the Company and Parent fully acknowledging that the Company has merely acquired the Trademark and has not assumed the TM Purchase Agreement itself, which remains with Parent. Parent shall exercise no less quality control as it relates to the Trademark than that which is memorialized in the TM Purchase Agreement. Parent hereby covenants and agrees to, at the request and expense of the Company, exercise and enforce any of Parent's rights under the TM Purchase Agreement as reasonably directed by the Company and, at the request of Purchaser, to assign to the Company, for no additional consideration, the TM Purchase Agreement and any of Parent's rights and interests and obligations thereunder arising from and after such assignment.

8. Further Assurances; Non-Assignable Contracts.

(a) The Contributing Parties hereby agree to execute and deliver, at the request of the Company and without further consideration, such further instruments of conveyance, transfer and assignment and take such other action as reasonably may be necessary to further effectuate the transactions contemplated by the Agreement, including any release, instruments of assignment or transfer or recordation and/or consent instruments and any assignment of an Identified Contract to the Company. Without limiting the foregoing, if, after Closing, (i) any Contributing Party receives or collects any funds in respect of any Contributed Asset or in respect of any services performed by the Company, such Contributing Party will remit such funds to the Company within five (5) Business Days after its receipt thereof and (ii) the Company receives or collects any funds in respect of any Excluded Asset, the Company will remit such funds to the applicable Contributing Party within five (5) Business Days after its receipt thereof. To the extent requested by the Company, each Contributing Party shall direct all funds payable in respect of any invoice of the Business following the Closing, to such bank account(s) as designated by the Company.

(b) Notwithstanding Section 4, this Agreement shall not constitute an agreement to, and no Contributing Party shall be required to, contribute, convey, assign, transfer or deliver, directly or indirectly, any Assumed Contract or any claim or right arising under or resulting from such Assumed Contract if any contribution, assignments, conveyance or transfer thereof (or any attempt to do any of the foregoing) requires the Approval of a third party or any Governmental Body therefor, and such Approval has not been obtained prior to the Effective Time (collectively, the “**Non-Assignable Contracts**”) unless and until such Approval has been obtained (unless otherwise mutually agreed by the Company and the Parent). Following the Effective Time, (i) the Company and each Contributing Party shall use commercially reasonable efforts and cooperate with each other to obtain at the earliest practicable date, any Approvals (provided that the Company shall not be obligated to pay any consideration to any third party from whom Approval is requested) required to contribute, convey, assign, transfer or deliver any Non-Assignable Contracts, (ii) the applicable Contributing Party will provide the Company, to the fullest extent practicable, with the economic and operational equivalent of the assignment of such Non-Assignable Contract as of the Effective Time, including by establishing an agency type or similar arrangement under which the Company or any designated Affiliate would obtain the claims, rights, and benefits and assume the corresponding liabilities and obligations thereunder (including by means of any subcontracting, sublicensing or subleasing arrangement), in each case, to the extent reasonable and lawful and (iii) each applicable Contributing Party will exercise, enforce and exploit, only at the direction of and for the benefit of the Company, any and all claims, rights and benefits of such Contributing Party arising in connection with such Non-Assignable Contract. To the extent that the Company is provided the rights and benefits of any Contributing Party under a Non-Assignable Contract pursuant to this Section 7(b), (x) the Company shall perform for the benefit of the other parties thereto the obligations of the applicable Contributing Party thereunder and pay, discharge and satisfy any related liabilities or obligations of the applicable Contributing Party thereunder, and (y) the applicable Contributing Party shall hold in trust for and pay to the Company promptly upon receipt thereof, all income, proceeds and other monies received by such Contributing Party to the extent related to such Non-Assignable Contract in connection with the arrangements under this Section 7(b).

9. Bulk Sales Laws. The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar laws of any jurisdiction that may otherwise be applicable with respect to the contribution of any or all of the Contributed Assets to the Company, it being understood that any liabilities arising out of any failure to comply with the requirements and provisions of any bulk sales, bulk transfer or similar laws of any jurisdiction shall be treated as Excluded Liabilities.

10. Tax. The parties acknowledge that no U.S. tax election has been made on the Company and the Company has its default tax classification as a disregarded entity for U.S. tax purposes. The parties intend that the transactions contemplated by this Agreement will be a non-taxable disregarded event for federal income tax purposes, and for tax reporting purposes the parties agree to report such transactions as such.

11. Miscellaneous. This Agreement, together with the Purchase Agreement, constitutes the entire agreement and supersedes all prior agreements and understandings, oral and written, between the parties with respect to the subject matter hereof; and this Agreement may not be modified or changed or any provision hereof waived except by an instrument or instruments in writing signed by the Parent, the Company and, prior to the Closing, the Purchaser. Each party hereto acknowledges and agrees that the Purchaser is a third-party beneficiary of this Agreement and shall be entitled to enforce the provisions herein to the same extent as if it were a party hereto. All costs and expenses incurred in connection with this Agreement shall be the responsibility of the Contributing Parties and treated as Excluded Liabilities. This Agreement may not be assigned by any Contributing Party without the prior written consent of the Company and, prior to the Closing, the Purchaser. The representations and warranties set forth in this Agreement shall survive the Effective Time and the Closing, and the covenants set forth in this Agreement shall survive until they have been performed or satisfied or until their expiration in accordance with their terms. The provisions of Sections 9.02 (Notices), 9.06 (Severability), 9.07 (Governing Law), 9.08 (Consent to Jurisdiction; Dispute Resolution; Venue), 9.09 (Waiver of Jury Trial), 9.10 (Arbitration), 9.11 (Counterparts; Facsimile Signatures) and 9.13 (Specific Performance; Injunctive Relief) of the Purchase Agreement are hereby incorporated herein by reference mutatis mutandis.

[signature page follows]

IN WITNESS WHEREOF, each party has caused this Agreement to be duly executed as of the Closing Date.

CONTRIBUTING PARTIES:

CloudFirst Technologies Corporation

By: /s/ Charles M. Piluso

Name: Charles M. Piluso

Title: Chief Executive Officer

Data Storage Corporation

By: /s/ Charles M. Piluso

Name: Charles M. Piluso

Title: Chief Executive Officer

Flagship Solutions, LLC

By: /s/ Charles M. Piluso

Name: Charles M. Piluso

Title: Chief Executive Officer

Secure Infrastructure & Services LLC

By: /s/ Charles M. Piluso

Name: Charles M. Piluso

Title: Chief Executive Officer

COMPANY:

CLOUDFIRST GLOBAL LLC

By: /s/ Charles M. Piluso

Name: Charles M. Piluso

Title: Chief Executive Officer



Data Storage Corporation Closes Sale of CloudFirst Business

Proceeds to Support Strategic Investments and Targeted Acquisitions in Technology Sectors

MELVILLE, N.Y., September 12, 2025 (GLOBE NEWSWIRE) — Data Storage Corporation (Nasdaq: DTST) (“DSC” or the “Company”), today announced it has completed the previously announced sale of its CloudFirst business (“CloudFirst”), comprised of substantially all of the assets held by CloudFirst Technologies Corporation, a wholly-owned subsidiary of the Company, to Performive, a cloud infrastructure provider backed by Renovus Capital Partners. The transaction, approved by shareholders on September 10, 2025, closed on September 11, 2025, and generated approximately \$40 million in gross proceeds, with estimated net proceeds of \$24 million after fees, taxes, and adjustments.

The Company plans to use proceeds to support targeted acquisitions and investments in areas aligned with digital infrastructure, including artificial intelligence (“AI”)-enabled software, graphics processing unit (“GPU”) technologies, and cybersecurity. DSC will also continue operating Nexxis, Inc., its telecommunications subsidiary.

While the Company has identified key sectors of interest, it remains open to opportunities that offer recurring revenue and long-term shareholder value.

“With the CloudFirst transaction complete, we are in a stronger position to evaluate and execute targeted acquisitions,” said Chuck Piluso, CEO of Data Storage Corporation. “We will take a disciplined approach to investing in infrastructure and software businesses that align with our operating capabilities and offer recurring revenue potential.”

Transaction Continuity

The CloudFirst brand, leadership team, and service model will remain intact under Performive. No changes are expected to client relationships, staffing, or service delivery.

About Data Storage Corporation

Data Storage Corporation (Nasdaq: DTST) focuses on investing in and supporting businesses in GPU Infrastructure-as-a-Service (IaaS), AI-driven software applications, cybersecurity, and voice/data telecommunications. The Company’s goal is to build recurring revenue streams while maintaining operational discipline.

For more information, visit www.dtst.com

Safe Harbor Statement

This press release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, that are intended to be covered by the safe harbor created thereby. Forward-looking statements are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements preceded by, followed by or that otherwise include the words “believes,” “expects,” “anticipates,” “intends,” “projects,” “estimates,” “plans” and similar expressions or future or conditional verbs such as “will,” “should,” “would,” “may” and “could” are generally forward-looking in nature and not historical facts, although not all forward-looking statements include the foregoing. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can provide no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from current expectations include the completion of the sale of the CloudFirst business positioning the Company to execute a growth strategy; the transaction generating anticipated net proceeds of approximately \$24 million to the Company after fees, taxes, and other adjustments; the Company’s plans to pursue targeted acquisitions in complementary and high-growth areas that align with the broader digital transformation marketplace in addition to continuing to operate its subsidiary, Nexxis, Inc.; the key areas of focus for the Company, including AI-enabled vertical SaaS, cybersecurity solutions, Edge AI, GPU technologies, and healthcare workflow automation, representing a large and expanding market opportunity where Data Storage Corporation can broaden its portfolio and capture long-term growth; the Company remaining flexible in pursuing acquisitions with a focus on building recurring revenue streams and delivering sustained shareholder value; the Company’s ability to execute its M&A strategy to capitalize on attractive opportunities across key sectors; the Company’s ability to build a strong, more diversified company that delivers innovation and creates lasting value for our shareholders; Purchaser retaining the CloudFirst name, the CloudFirst leadership team, and service structure, with no planned changes to staffing, client relationships, or service delivery; and the Company’s ability to provide leading edge technologies, while building shareholder value. These risks should not be construed as exhaustive and should be read together with the other cautionary statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, the Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it was initially made. Except as required by law, the Company assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or otherwise.

Contact:

Crescendo Communications, LLC
212-671-1020
DTST@crescendo-ir.com

DATA STORAGE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
FOR THE SIX MONTHS ENDED JUNE 30, 2025

| | 2025 | Six Months Ended June 30, 2025 | | 2025 |
|--|-----------------------------|-----------------------------------|-------------|--------------------------|
| | Consolidated (Unaudited) | Adjustments (Unaudited) | | Pro forma (Unaudited) |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 611,323 | 34,731,427 | (2),(4) | \$ 35,342,750 |
| Accounts receivable (less provision for credit losses of \$16,305 and \$31,472 in 2025 and 2024, respectively) | 1,727,111 | (1,635,350) | (1) | 91,761 |
| Marketable securities | 10,510,179 | — | | 10,510,179 |
| Escrow receivable | — | 1,500,000 | (4) | 1,500,000 |
| Prepaid expenses and other current assets | 1,913,094 | (918,060) | (1) | 995,034 |
| | <u>14,761,707</u> | <u>33,678,017</u> | | <u>48,439,724</u> |
| Property and Equipment: | | | | |
| Property and equipment | 10,078,502 | (10,068,289) | (1) | 10,213 |
| Less—Accumulated depreciation | (6,740,363) | 6,736,287 | (1) | (4,076) |
| Net Property and Equipment | <u>3,338,139</u> | <u>(3,332,002)</u> | | <u>6,137</u> |
| Other Assets: | | | | |
| Goodwill | 4,238,671 | (4,238,671) | (1) | — |
| Operating lease right-of-use assets | 525,416 | (525,416) | (1) | — |
| Other assets | 263,778 | (48,272) | (1) | 215,506 |
| Intangible assets, net | 1,293,435 | (1,293,435) | (1) | — |
| Total Other Assets | <u>6,321,300</u> | <u>(6,105,794)</u> | | <u>215,506</u> |
| Total Assets | <u>\$ 24,421,146</u> | <u>24,240,221</u> | | <u>\$ 48,661,367</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | |
| Current Liabilities: | | | | |
| Accounts payable and accrued expenses | \$ 2,349,999 | (390,170) | (1) | 1,959,829 |
| Income taxes payable | 0 | 9,500,000 | (3) | 9,500,000 |
| Deferred revenue | 227,204 | (227,204) | (1) | — |
| Operating lease liabilities short term | 105,750 | (105,750) | (1) | — |
| Total Current Liabilities | <u>2,682,953</u> | <u>8,776,876</u> | | <u>11,459,829</u> |
| Operating lease liabilities | 468,432 | (468,432) | (1) | — |
| Deferred tax liability | 39,031 | — | | 39,031 |
| Total Long-Term Liabilities | <u>507,463</u> | <u>(468,432)</u> | | <u>39,031</u> |
| Total Liabilities | <u>3,190,416</u> | <u>8,308,444</u> | | <u>11,498,860</u> |
| Stockholders' Equity: | | | | |
| Preferred stock, par value \$.001; 10,000,000 shares authorized; 1,401,786 designated as Series A Preferred Stock, par value \$.001; 0 shares issued and outstanding at March 31, 2025 and December 31, 2024 | | | | |
| | — | — | | — |
| Common stock, par value \$.001; 250,000,000 shares authorized; 7,123,227 and 7,045,108 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively | | | | |
| | 7,231 | 0 | | 7,231 |
| Additional paid in capital | 41,094,738 | 0 | | 41,094,738 |
| Accumulated deficit | (19,691,560) | 15,867,762 | (1),(2),(3) | (3,823,798) |
| Accumulated other comprehensive income (loss) | 64,015 | 64,015 | (1) | 128,030 |
| Total Data Storage Corp Stockholders' Equity | <u>21,474,424</u> | <u>15,931,777</u> | | <u>37,406,201</u> |
| Non-controlling interest in consolidated subsidiary | (243,694) | — | | (243,694) |
| Total Stockholder's Equity | <u>21,230,730</u> | <u>15,931,777</u> | | <u>37,162,507</u> |
| Total Liabilities and Stockholders' Equity | <u>\$ 24,421,146</u> | <u>\$ 24,240,221</u> | | <u>\$ 48,661,367</u> |

DATA STORAGE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2025

| | 2025 | Six Months Ended June 30, | 2025 |
|---|-----------------------------|----------------------------|----------------------------------|
| | Consolidated (Unaudited) | Adjustments (Unaudited) | 2025 Pro forma (Unaudited) |
| Sales | \$ 13,230,678 | \$ (12,586,528)(5) | \$ 644,150 |
| Cost of sales | 7,834,028 | (7,472,291)(5) | 361,737 |
| Gross Profit | 5,396,650 | (5,114,237) | 282,413 |
| Selling, general and administrative | 6,284,826 | (4,338,967)(5) | 1,945,859 |
| Income/(Loss) from Operations | (888,176) | (775,270) | (1,663,446) |
| Other Income (Expense) | | | |
| Interest income | 224,173 | — | 224,173 |
| Interest expense | (18,245) | 18,245(5) | — |
| Other Expense | (23,327) | 23,327 | — |
| Total Other Income (Expense) | 182,601 | 41,572 | 224,173 |
| Income (Loss) before provision for income taxes | (705,575) | (733,698) | (1,439,273) |
| Provision for income taxes | — | — | — |
| Net Income (Loss) | (705,575) | (733,698) | (1,439,273) |
| Loss in Non-controlling interest of consolidated subsidiary | (3,396) | — | (3,396) |
| Net Income (Loss) attributable to Data Storage Corp | (708,971) | (733,698) | (1,442,669) |
| Preferred Stock Dividends | — | — | — |
| Net Income (Loss) Attributable to Common Stockholders | \$ (708,971) | \$ (733,698) | \$ (1,442,669) |
| Earnings per Share – Basic | \$ (0.10) | \$ (0.10) | \$ (0.20) |
| Earning pers Share – Diluted | \$ (0.10) | \$ (0.10) | \$ (0.20) |
| Weighted Average Number of Shares - Basic | 7,119,102 | 7,119,102 | 7,119,102 |
| Weighted Average Number of Shares - Diluted | 7,119,102 | 7,119,102 | 7,119,102 |

DATA STORAGE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2024

| | Twelve Months Ended December 31, | | |
|---|----------------------------------|--------------------|----------------|
| | 2024 | 2024 | 2024 |
| | Consolidated | Adjustments | Pro forma |
| | (Audited) | (Unaudited) | (Unaudited) |
| Sales | \$ 25,371,303 | \$ (24,152,056)(5) | \$ 1,219,247 |
| Cost of sales | 14,267,936 | (13,575,937)(5) | 691,999 |
| Gross Profit | 11,103,367 | (10,576,119) | 527,248 |
| Impairment of intangible assets | — | — | — |
| Selling, general and administrative | 11,023,476 | (7,183,109)(5) | 3,840,368 |
| Income/(Loss) from Operations | 79,891 | (3,393,010) | (3,313,119) |
| Other Income (Expense) | | | |
| Interest income | 592,819 | — | 592,819 |
| Interest expense | (119,008) | 119,008(5) | — |
| Loss on disposal of equipment | (1,599) | 1,599(5) | — |
| Total Other Income (Expense) | 472,212 | 120,607 | 592,819 |
| Income (Loss) before provision for income taxes | 552,103 | (3,272,403) | (2,720,300) |
| Provision for income taxes | (39,031) | — | (39,031) |
| Net Income (Loss) | 513,072 | (3,272,403) | (2,759,331) |
| Loss in Non-controlling interest of consolidated subsidiary | 10,142 | — | 10,142 |
| Net Income (Loss) attributable to Data Storage Corp | 523,214 | (3,272,403) | (2,749,189) |
| Preferred Stock Dividends | — | — | — |
| Net Income (Loss) Attributable to Common Stockholders | \$ 523,214 | \$ (3,272,403) | \$ (2,749,189) |
| Earnings per Share – Basic | \$ 0.08 | \$ (0.47) | \$ (0.40) |
| Earning pers Share – Diluted | \$ 0.07 | \$ (0.45) | \$ (0.37) |
| Weighted Average Number of Shares - Basic | 6,931,399 | 6,931,399 | 6,931,399 |
| Weighted Average Number of Shares - Diluted | 7,347,779 | 7,347,779 | 7,347,779 |

DATA STORAGE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

| | Twelve Months Ended December 31, | | |
|---|----------------------------------|--------------------------------|--------------------|
| | <u>2023</u> | <u>2023</u> | <u>2023</u> |
| | <u>Consolidated</u> | <u>Adjustments</u> | <u>Pro forma</u> |
| | <u>(Audited)</u> | <u>(Unaudited)</u> | <u>(Unaudited)</u> |
| Sales | \$ 24,959,576 | \$ (23,862,649) ⁽⁵⁾ | \$ 1,096,927 |
| Cost of sales | 15,383,251 | (14,749,837) ⁽⁵⁾ | 633,413 |
| Gross Profit | 9,576,325 | (9,112,812) | 463,513 |
| Impairment of intangible assets | — | — | — |
| Selling, general and administrative | 9,744,736 | (6,412,431) ⁽⁵⁾ | 3,332,306 |
| Income/(Loss) from Operations | (168,411) | (2,700,381) | (2,868,792) |
| Other Income (Expense) | | | |
| Interest income | 542,229 | — | 542,229 |
| Interest expense | (74,502) | 74,502 ⁽⁵⁾ | — |
| Gain on contingent liability | — | — | — |
| Total Other Income (Expense) | 467,727 | 74,502 | 542,229 |
| Income (Loss) before provision for income taxes | 299,316 | (2,625,879) | (2,326,563) |
| Provision for income taxes | — | — | — |
| Net Income (Loss) | 299,316 | (2,625,879) | (2,326,563) |
| Loss in Non-controlling interest of consolidated subsidiary | 82,259 | — | 82,259 |
| Net Income (Loss) attributable to Data Storage Corp | 381,575 | (2,625,879) | (2,244,304) |
| Preferred Stock Dividends | — | — | — |
| Net Income (Loss) Attributable to Common Stockholders | \$ 381,575 | \$ (2,625,879) | \$ (2,244,304) |
| Earnings per Share – Basic | \$ 0.06 | \$ (0.38) | \$ (0.33) |
| Earning pers Share – Diluted | \$ 0.05 | \$ (0.38) | \$ (0.33) |
| Weighted Average Number of Shares - Basic | 6,841,094 | 6,841,094 | 6,841,094 |
| Weighted Average Number of Shares - Diluted | 7,215,069 | 6,841,094 | 6,841,094 |

NOTES TO THE PRO FORMA CONSOLIDATED COMBINED FINANCIAL INFORMATION

- (1) Removal of Disposed Business: Reflects the removal of the historical assets and liabilities of the Business as of June 30, 2025.
 - (2) Cash Proceeds and Gain on Sale: Reflects the estimated cash proceeds, net of estimated selling expenses, the contractual repurchase of outstanding warrants and the calculation of the gain on the sale.
 - (3) Income tax impact: Record the expected income tax payable from the gain on sale of the CloudFirst Business. As the Company has significant net operating loss carryforwards (NOLs) the pro forma adjustment to the balance sheet reflects their use.
 - (4) Escrow: \$1.5 million released to the Company six months post-closing.
 - (5) Removal of Disposed Business Operations: Reflects the removal of the historical revenues and expenses of the CloudFirst Business.
-