Finance & Execution Plan

MegaWAC, LLC

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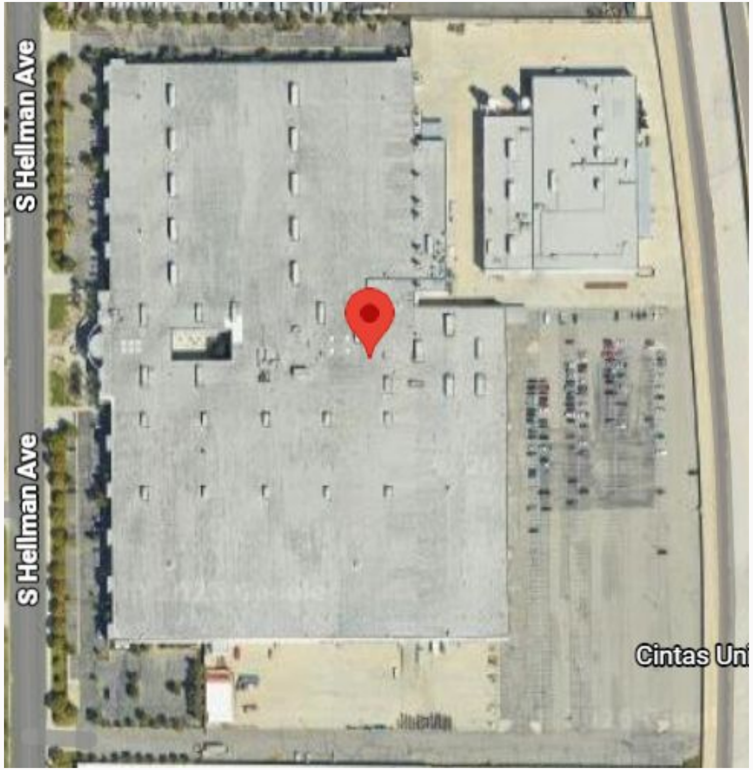
Project Development Status



2001 Hellman Avenue in Ontario, CA

01 Option agreement signed for 30 year roof lease with Hellman, LLC

02 Paid $100,000 deposit to officially establish site control

03 Negotiated roof replacement scheduled for early ‘27, so no outstanding structural studies

04 All permits acquired via City of Ontario and San Bernadino County

05 Initial review with SCE complete, no major infrastructure upgrades needed

06 Interconnection application is in, awaiting official approval

Major PPA Terms

Offtaker

Mag Instrument, Inc., the only tenant of the building. They have signed the PPA.

Price of Energy & RECs

Our PPA establishes an initial rate of $0.11 per kWh, with a 2% annual escalator.

RECs will be kept by the offtaker.

Duration & Comm. Operation Date

PPA term is 20 years with two automatic 5 years extensions.

The estimated date for Commercial Operation is Q2 2028 .

Project Financing Plan

- Offtaker creditworthiness
  - Mag Instrument, Inc. as the Tenant
  - They have positive revenue at roughly $175 Million
  - In business since 1955 with continuous operation
  - Strong and consistent revenue and serves as bankable C & I
- Financing strategy and Capital stack partners
  - Partnering with SunRocket Capital as lender
  - A 30-70 split between HellaWAC, LLC and SunRocket
  - Higher equity returns by increasing debt burden
    - Leveraging debt as a vehicle for higher IRR
  - No plans to move forward with Federal ITC
- Expected long-term ownership
  - Mag instruments is considered a **long term tenant** for the building owner (Hellman Inc) and is expected to stay in the building through the life of the project
  - MegaWAC, LLC is planning on **retaining ownership** over the lifetime of the project, with SunRocket as a lender

Pro Forma Summary

Capital Cost	$3,286,800.00
Debt	$2,432,141.61
Equity	$854,658.39
Pre-tax IRR	12%
Pre-tax unlevered IRR	10%
Contract Return of Equity	6.96x
Payback Period	11 years

Pro Forma Risks

Risks

- Offtaker opts out of PPA extension
- New building owner or tenant
- Production is lower than expected
- Model inputs change significantly

Mitigation

- 7% unlevered IRR, 8% levered IRR without 10-year PPA extension
- PPA includes terms to address sale or change in offtaker
- Debt Service Coverage Ratio (DSCR) of 1.3
- Model includes capital reserve fund ($8/kW), currently achieving 10% IRR without debt under 30-year PPA

Project Execution Plan

EPC Progress

Swinerton Energy EPC Contractor

- ➔ Fixed Price and full wrap EPC contract
- ➔ Transfer risk and cost certainty
- ➔ Schedule, labor, and installation done by contractor
- ➔ LNTP in March 2026

We have signed an LNTP with Swinerton to handle procurement and O & M

Equipment Procurement

- ➔ Modules, Inverters, and Racking handled by EPC
- ➔ Ballasted fixed-tilt racking + Tier 1 monocrystalline modules + string inverters
- ➔ O & M through SOLV energy and contracted through renewal
- ➔ Early procurement allows for mitigating lead time:
  - ◆ Inverters
  - ◆ Transformers and switch gear

Tariff and Supply Chain Strategy

- ➔ Maintained two approved module supplies for international and domestic supplies
- ➔ Regional warehouse used for staging materials and is currently storing equipment
- ➔ Finish placing order for equipment through April and May

Discussion

Pros

- Large flat roof with plenty of space
- Not heavily shaded by other buildings
- One building owner and one offtaker
- Good creditworthiness
- > 3 MW of distribution feeder capacity

Next Steps

- Secure financing
- Interconnection Approval from SCE
- Await the construction of the new roof
- EPC execution
- Swinerton will build the project
- Permission to Operate (PTO) from SCE

Cons

- No fasttrack process for interconnection (due to Rule 21)
- No ITC
- Net metering has became more challenging in California with NEM 3

References

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