

SHAREHOLDERS CORPORATE UPDATE

Strategic Progress, Financial Health, and Vision for Growth

Executive Summary

Solvari remains focused on achieving its Seed Round fundraising goal of \$3M to commence commercial operations. The company continues to optimize overhead and operational expenses to extend its runway and support a successful close. Market interest remains strong with multiple potential customers looking to Solvari to enhance competitiveness following the expiration of the homeowner’s 30% federal tax credit.

While Solvari’s value proposition is stronger than ever, federal policy headwinds have created cautious investment sentiment for our sector. In response, fundraising efforts have increasingly targeted industry players, generating meaningful forward momentum toward our funding goal.

Solvari continues to build value through:

- Cost reduction activities
- Supply chain resilience
- Automated assembly advancements
- Financial modeling improvements
- Launching first stage of online customer tools
- Additional sales activities
- Expanding product offerings

State of the Residential Solar Market

The passage of the One Big Beautiful Bill Act (OBBBA) in July ended Section 25D of the U.S. Internal Revenue Code, which provided homeowners with a 30% tax credit on solar system purchases through December 31, 2025. Industry expectations predicted a surge in installations as homeowners rushed to take advantage of the expiring credit. At the same time, OBBBA preserved Sections 45Y and 48E, allowing third-party-owned systems, such as leases and power purchase agreements (PPAs), to continue benefiting from tax credits through 2029.

As shown in Figure 1, market optimism following OBBBA’s passage drove gains in several residential solar stocks. Sunrun, the leading residential installer representing roughly 25% of U.S. installations, and SolarEdge, a leading power electronics supplier, both experienced substantial growth in the second half of the year.

By early November, reporting indicated that the predicted short-term installation boom had not fully materialized. Contributing factors included product supply limitations and logistical bottlenecks, such as permitting, inspections, and utility interconnects.¹ Our partners identified labor as the primary constraint in meeting demand; a constraint that could have been alleviated if Solvari SR had been available to deploy.

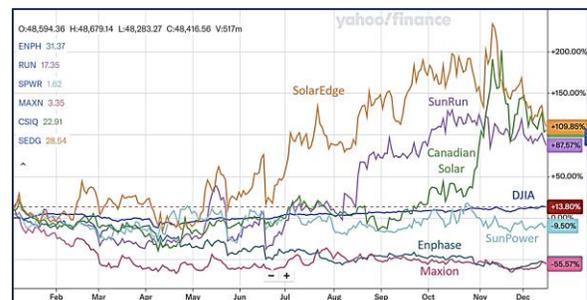


Figure 1 - 2025 Market Solar Companies Performance

Solvari’s Competitive Advantage

The reputation of the solar industry has been undermined by widespread reports of high-pressure sales tactics, misleading claims such as “free” solar, exaggerated cost-savings projections, undisclosed financial obligations, and underperforming or non-operational systems.² These issues have become so pervasive that the U.S. Department of the Treasury and the Consumer Financial Protection Bureau have issued multiple reports warning consumers about solar-related scams and providing guidance on how to purchase solar safely.^{3,4,5} In response,

both the industry and regulators have taken action. Industry organizations like the Solar Energy Industry Association (SEIA) has published Standard 401, “Solar and Energy Storage Consumer Protection Standard” to help steer sales reps away from unfair and deceptive practices. States have enacted new consumer-protection laws, including Washington’s 2024 Solar Consumer Protection Act and Texas’s 2025 law requiring all solar salespeople register with the Texas Department of Licensing and Regulation.

As a result of increased scrutiny, regulation, and declining consumer trust, customer acquisition costs (CAC) have soared to a national average of ~\$0.85/W, with the largest solar companies spending more than \$1.00/W (\$7,700/home) in sales commissions.

By contrast, local solar contractors, often referred to as “mom-and-pop” shops or the industry’s “long tail”, incur far lower CAC relying on referrals, community reputation, and local advertising to generate leads. See Figure 2. While this organic approach reduces CAC, it is less scalable and limits growth potential.

Despite their lower CAC, small installers face higher operational costs than the more efficient national organizations like Sunrun, effectively erasing their cost advantage. Solvari helps smaller installers compete and scale by streamlining operations, reducing inefficiencies, and enabling them to deliver solar at lower cost.

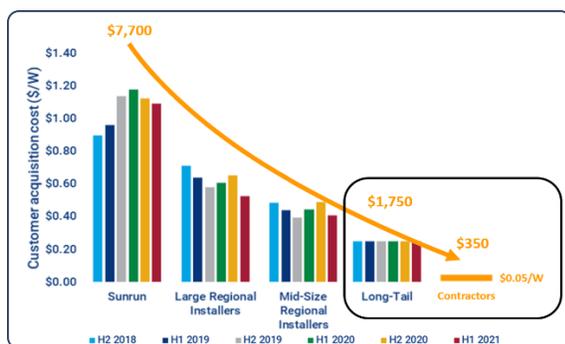


Figure 2 - CAC vs Solar Company Size

While Solvari’s operational efficiencies help existing installers lower the cost of solar, its ease and simplicity enable traditional trades to enter the market. These contractors bring an

established customer base, in-home access through their other services, and a reputation as the local “trusted adviser”. Operating outside the traditional solar industry, they are uniquely positioned to overcome consumer hesitancy and deliver solar at a lower cost.

Solvari’s competitive advantage is that it has the potential to expand the solar market, increase its customer’s competitiveness, reduce costs, and provide homeowners with greater choice in how and from whom they source their solar.

Financial Position & Funding Needs

We remain focused on securing the additional capital required to transition the company to commercialization and revenue generation. While our target raise is \$3M, we have identified a capital efficient path that enables meaningful progress with as little as \$1M. This approach is supported by favorable terms from upstream partners, tight controls on operating expenses, and the use of a flexible workforce in place of permanent hires. At the \$1 million funding level, our primary objective is to achieve revenue generation, strengthening the company’s market position and enhancing its attractiveness for subsequent investment. The additional \$2M will allow for investments in permanent staff, facilities upgrades, and growth activities such as sales, marketing, and customer support.

We continue to actively engage with high-net-worth individuals, venture capitalists, and strategic partners familiar with the solar industry. Shareholders who can offer warm introductions to possible investors are encouraged to do so. We are shovel-ready for revenue and have a primed customer base, making us a market ready investment. Your ongoing support could be pivotal to our success. Please send any introductions to struthseeker@solvarisolar.com.

In the interim, our only payroll expense is our Senior Manufacturing Engineer whose cost continues to be largely offset by the CalSEED grant, of which \$110k has been drawn, leaving \$390k available for future use.

Outlook and Guidance

We continue to receive inbound interest from potential customers including solar installers, roofers, and new home contractors. Our customer database has grown to nearly 3,500 engaged contacts with our latest email campaign showing strong continued interest with a 61% open rate and 24% click rate. For perspective, click rate across industries as reported by our email service is 2-5%.

Supplier relationships remain strong as we continue to evaluate lower cost options, tariff mitigation strategies, and expanded product offerings.

While the OBBBA is predicted to slow the solar industry in general, market outlook for the residential sector shows strong signals of future growth as outlined in Figure 1. In addition, several provisions of the OBBBA improve Solvari's value in the market including its "Made in America" business incentives.

Our manufacturing engineering activities continue to bring the assembly line closer to reality, ensuring we meet or exceed our initial cost estimates and throughput targets.

Solvari expects to generate revenue within 6 months of receiving funding; four months to receive materials and equipment and two months for transformation and sales.

Closing Thoughts

Even with scaled back personnel, Solvari continues to make significant progress towards its goal of democratizing solar and reducing cost.

The recent launch of Solvari's Solar Sizing Tool reflects our commitment to transparency and homeowner empowerment. The tool provides free, immediate answers to homeowners' most common question: "How many solar panels do I need?" Unlike typical industry practice that requires homeowners to provide contact information resulting in aggressive and unwanted sales outreach, Solvari's tool delivers clear results anonymously, respecting privacy while providing useful actionable information.

We believe this approach positions Solvari as the homeowner's trusted solar advisor. Since its release, the tool has been used by over a hundred homeowners. Future tools will continue the process by providing the option to design, permitting, finance, and purchasing a Solvari system on their own, or to request a Professional Solvari Partner to take care of the process for them. That's not just "Solar Made Easy", it's "Solar Your Way".

Thanks again for your support,



Samuel Truthseeker
Founder and CEO

Disclaimer & Forward-Looking Statements

This communication contains forward-looking statements, including but not limited to statements regarding our anticipated use of proceeds, product development plans, growth strategy, market opportunity, and future performance. Forward-looking statements are based on current expectations, assumptions, and projections, and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied.

These risks include, but are not limited to, changes in market conditions, customer adoption rates, operational challenges, competitive pressures, regulatory developments, supply chain constraints, and our ability to execute our business plan. The forward-looking statements in this communication speak only as of the date hereof, and we undertake no obligation to update or revise any forward-looking statements to reflect future events or circumstances, except as required by law.

Nothing in this communication constitutes an offer to sell or a solicitation of an offer to buy any securities.

¹<https://seia.org/research-resources/solar-market-insight-report-q4-2025/>

²<https://www.solarpowerworldonline.com/2024/10/government-industry-take-aim-at-shady-solar-sales-practices/>

³<https://www.consumerfinance.gov/data-research/research-reports/issue-spotlight-solar-financing/>

⁴<https://home.treasury.gov/system/files/136/Guide-Before-You-Buy-Solar-Panels-eng.pdf>

⁵<https://mslawgroup.com/regulators-take-aim-at-solar-energy-sales-practices/#:~:text=Earlier%20this%20month%2C%20the%20Federal,unethical%20behaviors%20in%20the%20industry>