

September 30, 2021



Sunrun Closes Securitization and Raises Additional Subordinated Financing

Transactions result in highest advance rate relative to the underlying collateral asset value in the company's history, exceeding 100% of contracted Gross Earning Assets and achieves new low weighted average cost of capital

Financings set new records, with record low spreads against benchmark rates and 2.28% senior tranche yield, and improving cost of subordinated financing

SAN FRANCISCO, Sept. 30, 2021 (GLOBE NEWSWIRE) -- Sunrun (Nasdaq: RUN), the nation's leading home solar, battery storage and energy services company, today announced it has closed the securitization of leases and power purchase agreements on September 29th ("Sunrun 2021-2"). Sunrun today also announced the execution and closing of an additional subordinated financing, which is secured indirectly by the Class B Notes issued to a subsidiary of Sunrun in the securitization transaction and by a portion of Sunrun's additional retained interest in the underlying collateral assets in the securitization transaction.

"I am pleased with Sunrun's record-setting project finance execution and continued improvements in our cost of capital, across both the senior securitized notes and subordinated subsidiary-level financing. With these transactions, we achieved records with the lowest cost of capital and highest advance rates in the company's history, in this case over 100% of the contracted Gross Earning Assets of the securitized pool measured using a 5% discount rate," said Ed Fenster, Sunrun Co-Founder and Co-Executive Chair. "These financings highlight that Sunrun can not only fund growth but also generate cash, despite incurring billions in capital expenditures and operating costs."

While the 2021-2 securitization transaction was structured with both A- ("Class A") and BB- ("Class B") rated notes, only the Class A notes were sold to investors in the securitization process. The Class A notes have an initial balance of \$447.1 million and were priced at a yield of 2.28%, representing a spread to the benchmark swap rate of 120 bps at the time of pricing. This represents an improvement in the spread of 15 bps from the securitization issued by Sunrun in March 2021, which previously represented the lowest spread achieved by Sunrun or Vivint Solar, inception-to-date. The Class A notes represent an advance rate of approximately 75% of the securitization share of the aggregate discounted solar asset balance (i.e., contracted cash flows available for debt service) using a 5% discount rate. With a yield of 2.28%, the cost of debt for the Class A notes is approximately 160 bps below the average cost of the company's overall securitized notes. The Class A notes have an expected weighted average life of 6.3 years, an Anticipated Repayment Date of January 30, 2029, and a final maturity date of January 30, 2057.

Sunrun reports Gross Earning Assets ("GEA") and Gross Earning Assets Contracted Period ("CGEA", also referred to as contracted Gross Earning Assets) for the fleet of solar systems,

which represents the present value (using a 5% unlevered discount rate) of expected cash flows from customers, less estimated operating and maintenance costs and distributions to tax equity partners in partnership flip structures. GEA includes estimated renewals while CGEA only includes the cash flows expected during the initial customer contract period. For the full definition of GEA and CGEA, please see our latest earnings press release or investor presentation, both of which can be accessed on our investor relations website at <https://investors.sunrun.com>.

Sunrun raised an additional subordinated subsidiary-level financing (secured, in part, by the distributions from the Class B notes) after the securitization transaction closed, which increased the cumulative advance rate obtained by Sunrun with respect to the assets within the subsidiary funds. When taken together, Sunrun will realize proceeds from the issuance of the Class A securitized notes and subordinated financing, net of transaction fees, that represent over 100% of the CGEA associated with the assets in the securitization transaction. CGEA represented approximately 73% of the total GEA associated with the underlying assets. The subordinated financing will be funded in two draws, with the first draw concurrent with closing in September and the second draw occurring in October.

Deutsche Bank Securities was the sole structuring agent and served as joint bookrunner of the securitization transaction along with Credit Suisse and BofA Securities. Truist Securities, KeyBanc Capital Markets, RBC Capital Markets and Citigroup served as co-managers for the securitization.

This press release does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Forward Looking Statements

This communication contains forward-looking statements related to Sunrun (the “Company”) within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements related to: the Company’s business plan, market leadership, competitive advantages, operational and financial results and metrics (and the assumptions related to the calculation of such metrics); the Company’s momentum in the company’s business strategies, expectations regarding market share, customer value proposition, market penetration, financing activities, financing capacity, product mix, and ability to manage cash flow and liquidity; and the growth of the solar industry. These statements are not guarantees of future performance; they reflect the Company’s current views with respect to future events and are based on assumptions and estimates and are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements. The risks and uncertainties that could cause the Company’s results to differ materially from those expressed or implied by such forward-looking statements include: the impact of COVID-19 on the Company and its business and operations; the successful integration of Vivint Solar; the Company’s leadership team and ability to attract and retain key employees; the availability of additional financing on acceptable terms; changes in the retail prices of traditional utility generated electricity; worldwide economic conditions, including slow or

negative growth rates in global and domestic economies and weakened consumer confidence and spending; changes in policies and regulations including net metering and interconnection limits or caps; the availability of rebates, tax credits and other incentives; the availability of solar panels, batteries, and other components and raw materials; the Company's ability to attract and retain the Company's relationships with third parties, including the Company's solar partners; the Company's continued ability to manage costs associated with solar service offerings; the Company's business plan and the Company's ability to effectively manage the Company's growth and labor constraints; the Company's ability to meet the covenants in the Company's investment funds and debt facilities; factors impacting the solar industry generally, and such other risks and uncertainties identified in the reports that we file with the U.S. Securities and Exchange Commission from time to time. All forward-looking statements used herein are based on information available to us as of the date hereof, and we assume no obligation to update publicly these forward-looking statements for any reason, except as required by law.

Investor & Analyst Contact:

Patrick Jobin
Senior Vice President, Finance & IR
investors@sunrun.com



Source: Sunrun Inc.