

# SUNRUN

## 4Q 2024 Financial Results

February 27, 2025

# Safe harbor & 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 financial and operating guidance and expectations; the Company’s business plan, trajectory, expectations, 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 its business strategies including expectations regarding market share, total addressable market, growth in certain geographies, customer value proposition, market penetration, growth of certain divisions, financing activities, financing capacity, product mix, and ability to manage cash flow and liquidity; the growth of the solar industry; the Company’s financing activities and expectations to refinance, amend, and/or extend any financing facilities; trends or potential trends within the solar industry, our business, customer base, and market; the Company’s ability to derive value from the anticipated benefits of partnerships, new technologies, and pilot programs, including contract renewal and repowering programs; anticipated demand, market acceptance, and market adoption of the Company’s offerings, including new products, services, and technologies; the Company’s strategy to be a margin-focused, multi-product, customer-oriented company; the ability to increase margins based on a shift in product focus; expectations regarding the growth of home electrification, electric vehicles, virtual power plants, and distributed energy resources; the Company’s ability to manage suppliers, inventory, and workforce; supply chains and regulatory impacts affecting supply chains; the Company’s leadership team and talent development; the legislative and regulatory environment of the solar industry and the potential impacts of proposed, amended, and newly adopted legislation, regulation and policy on the solar industry and our business; the potential impacts of future tax legislation, specifically related to changes in tax credits applicable to the solar industry; the ongoing expectations regarding the Company’s storage and energy services businesses and anticipated emissions reductions due to utilization of the Company’s solar energy systems; and factors outside of the Company’s control such as macroeconomic trends, bank failures, public health emergencies, natural disasters, acts of war, terrorism, geopolitical conflict, or armed conflict / invasion, and the impacts of climate change. 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 Company’s continued ability to manage costs and compete effectively; the availability of additional financing on acceptable terms; worldwide economic conditions, including slow or negative growth rates and inflation; volatile or rising interest rates; changes in policies and regulations, including net metering, interconnection limits, and fixed fees, or caps and licensing restrictions and the impact of these changes on the solar industry and our business; the Company’s ability to attract and retain the Company’s business partners; supply chain risks and associated costs; realizing the anticipated benefits of past or future investments, partnerships, strategic transactions, or acquisitions, and integrating those acquisitions; the Company’s leadership team and ability to attract and retain key employees; changes in the retail prices of traditional utility generated electricity; the availability of rebates, tax credits and other incentives; the availability of solar panels, batteries, and other components and raw materials; 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 home electrification and 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. All guidance information contained in this presentation was provided on February 27, 2025 in the 4Q 2024 earnings release. The company assumes no obligation to update such guidance and the guidance is effective only as of the date hereof.

# Q4 OVERVIEW & STRATEGIC PRIORITIES



**Mary Powell**  
CEO

# Sunrun delivered rapid top-line Subscriber value growth, net value growth, strong Cash Generation & increased book value of our customer base

**\$1.6 billion**  
**Aggregate Subscriber Value<sup>(1)</sup>**

in Q4  
+28% year-over year  
+9% from Q3

**\$357 million**  
**Contracted Net Value Creation<sup>(2)</sup>**

in Q4  
+125% year-over-year  
+48% from Q3

**\$34 million**  
**Cash Generation**

in Q4  
third consecutive quarter  
of positive Cash Generation and expecting  
positive Cash Generation in each quarter of  
2025<sup>(3)</sup>

**\$536 million**  
**Growth in Net Earning Assets**

in Q4  
representing an increase of over \$2 per share,  
reaching \$6.8 billion or ~\$30 per share;  
Paid down recourse debt by \$132 million in Q4

See Appendix for glossary of terms.

(1) Aggregate Subscriber Value is calculated as Subscriber Value, using a discount rate based on market-observed cost of capital in the period, multiplied by Subscriber Additions in the period.

(2) Contracted Net Value Creation is calculated as the Contracted Subscriber Value, using a discount rate based on market-observed cost of capital in the period, less Creation Costs, multiplied by Subscriber Additions in the period.

(3) See page 20 for our Cash Generation targets and assumptions underpinning our targets.

# In Q4 Sunrun delivered positive Cash Generation while growing volumes and expanding unit margins to record levels

## High-quality focused growth strategy yielded strong growth in value creation

- Contracted-only adjusted Total Value Generated<sup>(1)</sup> of \$357 million, using market-observed cost of capital, grew +125% y/y and +48% q/q, reaching highest level ever reported. Total Value Generated represents Subscriber Additions (i.e., volume) multiplied by Net Subscriber Value (i.e., unit margin).
- Exceeded high-end of Storage Capacity Installed guidance and achieved Solar Capacity Installed volumes within our guidance range. Storage Capacity Installed increased 78% y/y.
- Maintained strong cost discipline with Creation Costs flat y/y and q/q, despite higher battery mix.
- Contracted Net Subscriber Value pro-forma at a 7.3% discount rate increased to \$11,639 (+98% y/y, +46% q/q) driven by record-high battery attachment rate at 62%, ITC level of 39.8%, fixed cost absorption benefits with higher volumes and continued cost efficiency efforts.

## Innovating and leading the industry in a disciplined way

- Industry data highlights over 5 pp increase in Sunrun's industry share in solar over the last year and our share of residential storage installations has increased to over 50%.<sup>(2)</sup>

## Navigating policy environment with prudent and proactive risk management

- Support from both Republicans and Democrats remains strong; public support for energy independence, resiliency and affordability spans political spectrum.
- Sunrun executed a ~\$350 million safe harbor equipment purchase to insulate various policy risks in a capital efficient way, only consuming approximately \$18 million in cash in Q4. We can explore additional multi-year safe harbor initiatives if circumstances warrant.

## Positive Cash Generation of \$34 million in Q4 & robust outlook for 2025

- Delivered third consecutive quarter of positive Cash Generation, and expect positive Cash Generation in every quarter of 2025, including Q1 which is typically lower owing to seasonality.
- Guiding to robust Cash Generation of \$200 to \$500 million in 2025, which has been updated to reflect current environment for costs and volume along with ITC adder qualifications.
- Repurchased \$125.5 million of our 2026 Convertible Notes in Q4. Since the end of March 2024 we have paid down recourse debt by \$186 million, increased our Total Cash balance by \$164 million and grown Net Earning Assets by \$1.5 billion.
- We will continue to allocate excess unrestricted cash to further pay down parent recourse debt and are committed to a capital allocation strategy beyond this initial de-leveraging period that drives significant shareholder value.

## Q4 Key Metric Performance

1,048,842

**Customers**

+12% y/y

\$55,811

**Subscriber Value**

+11% y/y, +9% q/q

\$19,177

**Net Subscriber Value**

+43% y/y, +31% q/q

\$34 million

**Cash Generation**

392 Megawatt hours

**Storage Capacity Installed in Q4**

+78% y/y, +17% q/q

242 Megawatts

**Solar Capacity Installed in Q4**

+7% y/y, +6% q/q

**62% Storage Attachment Rate**

on new installations in Q4

+17pp y/y, +2pp q/q

7.5 Gigawatts

**Networked Solar Capacity**

2.5 Gigawatt hours

**Networked Storage Capacity**

\$6.8 billion

**Net Earning Assets**

See Appendix for glossary of terms.

(1) Contracted-only adjusted Total Value Generated is calculated as the Contracted Subscriber Value, using a discount rate based on market-observed cost of capital in the period, less Creation Costs, multiplied by Subscriber Additions in the period.

(2) Based on Ohm Analytics Q3 2024 DG Solar and Storage Report (October 2024) and Sunrun's reported Solar Energy Capacity Installed for Subscribers or Storage Capacity Installed.

# We are growing value creation in a disciplined way, shifting to higher-value offerings as we prioritize Cash Generation

## Successfully executed margin-focused growth strategy in 2024, which will continue in 2025

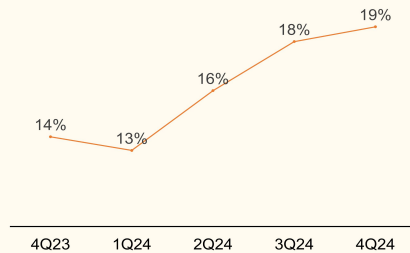
- Sunrun focused on higher-margin product mix, routes to market and geographies in 2024, **resulting in 43% y/y growth in contracted-only adjusted Total Value Generated<sup>(1)</sup>** which reflects only the contracted Subscriber Value and uses a discount rate based on market-observed capital costs in the period.
- In 2025 we will employ the same strategy, focusing on expanding our Subscriber Values through a focus on mix (higher battery attachment rates, geographic focus, and ITC realization) to expand net margins while also optimizing volumes.
- We expect our growth in contracted-only adjusted Total Value Generated to significantly outpace growth in Customer Additions or Solar Energy Capacity Installed and to grow 5% to 15% in 2025, leading to Cash Generation of \$200 to \$500 million in 2025 along with growth in Net Earning Assets.

	2024	2025E
<b>Storage Attachment %</b>	+30 pts to 57%	+10 pts to 66%
Solar-only Customers	-50%	-30% to -20%
Solar+Storage Customers	+79%	+5% to +15%
<b>Total Customer Additions</b>	<b>-15%</b>	<b>approx. flat</b>
<b>Contracted Subscriber Value</b> <i>(at market discount rate)</i>	<b>+14%</b>	<b>+14% or more</b>
<b>Creation Cost</b>	<b>+8%</b>	<b>+10% to +12%</b>
<b>Total Value Generated<sup>(1)</sup></b> <i>(pro-forma at market discount rate and excluding any non-contracted value)</i>	<b>+43% growth</b>	<b>+5% to +15% growth</b>

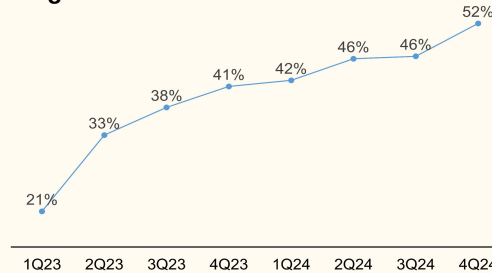
## Sunrun is growing share given strength of subscription offering & storage leadership

- Sunrun's Subscription model is advantaged in the market; Sunrun has 40% share of the subscription volumes.<sup>(2)</sup>
- ITC Adder benefits, which are only available under the Subscription model, should accelerate this trend further in the quarters ahead.
- Sunrun's accessible Subscription model with no upfront costs provides peace of mind in a rising utility and interest rate environment.

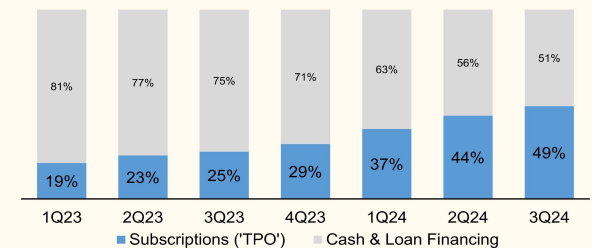
Solar Install Volume Share<sup>(3)</sup>



Storage Install Volume Share<sup>(3)</sup>



Overall Industry Mix of Subscriptions Increasing<sup>(2)</sup>



(1) Contracted-only adjusted Total Value Generated is calculated as the Contracted Subscriber Value, using a discount rate based on market-observed cost of capital in the period, less Creation Costs, multiplied by Subscriber Additions in the period.

(2) Based on Wood Mackenzie/SEIA US Solar Market Insight Report (December 2024) and Sunrun's reported Solar Energy Capacity Installed for Subscribers

(3) Based on Ohm Analytics Q3 2024 DG Solar and Storage Report (December 2024) and Sunrun's reported Solar Energy Capacity Installed for Subscribers or Storage Capacity Installed. 4Q24 market share is based on Ohm's projected industry volumes in Q4.

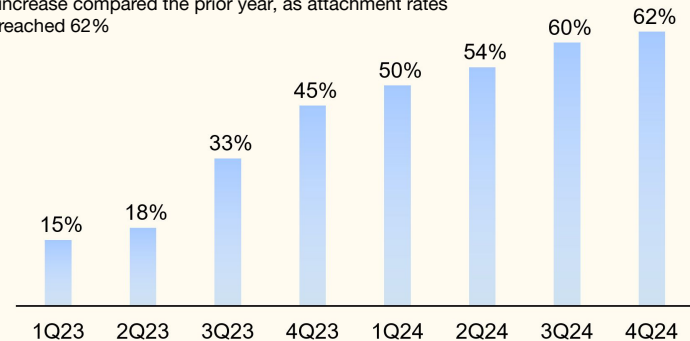
# We are accelerating storage adoption, providing customers resiliency & building a foundation of valuable grid resources

## Storage attachment rates accelerating

- Sunrun has now installed more than 156,000 solar and storage systems representing over 2.5 GWhrs of stored energy capacity. Storage attachment rates increased to 62% in Q4.
- Storage attachment rates vary significantly by geography, with Hawaii and Puerto Rico at ~100%, California ~89%, and Texas at ~66% and increasing, with the rest of the country at ~10% for Q4 installations.
- We expect attachment rates to increase slightly over the next few quarters and for Storage Capacity Installed to grow rapidly.
- Systems with backup storage are significantly accretive to Net Subscriber Values, adding several thousand dollars.

### Storage Attachment Rate on New Installations

392 MWhrs of Storage Capacity Installed in Q4, a 78% increase compared the prior year, as attachment rates reached 62%



## Significant benefits of leading with storage for customers, the grid and Sunrun

- Many storage systems can provide backup power capabilities, allowing households to power through grid outages.
- Pro-consumer offering delivers the best economics where rate structures encourage optimizing when energy is consumed or exported to the grid.
- Fleet of storage lays the foundation for grid service opportunities, which provide valuable dispatchable energy resources for utilities and grid operators and can provide additional financial benefit to our customers.
- Further differentiation compared to smaller solar companies that lack the capabilities to procure storage, design more complicated systems, permit and install complicated solar+storage systems, and manage fleets of energy storage systems.

### Current Grid Service Programs

16

Grid service programs

9

States with grid service programs

>20k

Customers enrolled in grid service programs

### Massive Opportunity for Continued Expansion

2.5 GWhr

Networked Storage Capacity

156,000+

Solar & Storage Systems Installed

# Supporting Our Customers & Communities During the LA Fires

- During the January 2025 LA fires, the Sunrun team supported customers in blackout-affected areas, ensuring their battery systems operating as expected.
- Over 70 Sunrunners mobilized to quickly assemble and transport 10 critical mobile power systems—complete with solar panels and batteries—to local fire stations and the command post at the Rose Bowl, supporting multiple response agencies. Beyond emergency power, the Sunrun team also provided thousands of essential supplies, including meals, water, sleeping bags, and personal hygiene products, to the National Guard and first responders.
- Tragic wildfires underscore the need for safer ways to generate and deliver energy to customers and the importance of onsite power and storage systems for critical power during emergencies.



**4,200+ customers**  
experienced at least one grid outage during the LA fires



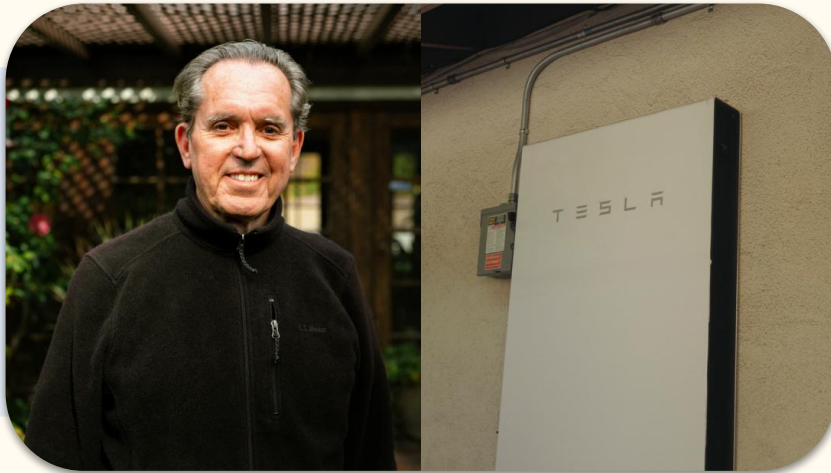
**138,000+ hours**  
of total backup power provided to all affected customers



**19+ hours**  
of backup power provided, on average, per grid outage event



**34.6+ megawatt-hours**  
of total battery energy provided to customers during backup events



*“With my solar and two batteries, **my home was like an energy oasis** in the neighborhood so people could charge their devices and stay warm. I’m a living testament to living off the grid, which is just incredible, having the sun take care of all my energy needs.”*

— Scott Liggett, La Crescenta

Approximately 200 Sunrun Subscribers lost their homes in the recent LA fires. Sunrun has canceled their contracts. Damages to systems are covered by insurance policies. We will be there to support these customers as they rebuild and seek energy resiliency and affordable energy options.



# FINANCIAL PERFORMANCE & OUTLOOK



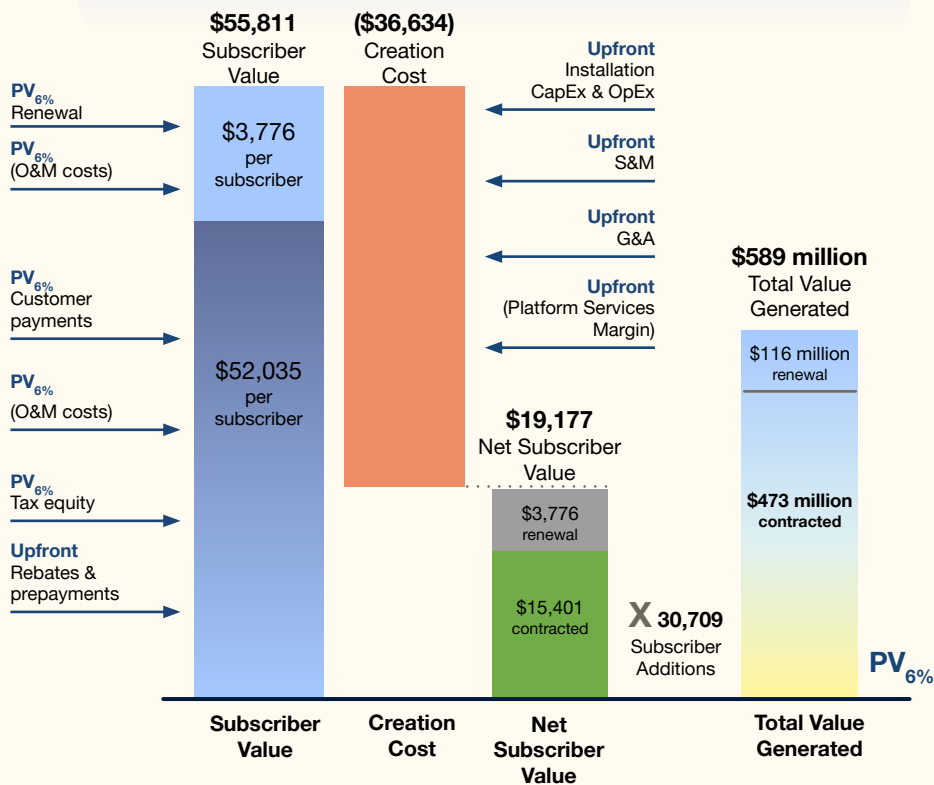
**Danny Abajian**  
*CFO*

# Contracted Total Value Generated was \$473 million in Q4 (+81% y/y, +42% q/q) or \$357 million at 7.3% discount rate (+125% y/y, 48% q/q)

- Total Value Generated represents Subscriber Additions (i.e., volume) multiplied by Net Subscriber Value (i.e., unit margin). In Q4 there were 30,709 Subscriber Additions with a Net Subscriber Value of \$19,177 using a fixed 6% discount rate, resulting in Total Value Generated of \$589 million.
- In Q4 we saw an asset-level cost of capital of approximately 7.3%. Pro-forma for a 7.3% discount rate, Subscriber Value was \$50,998, leading to an adjusted Net Subscriber Value of \$14,364 and Total Value Generated of \$441 million. We expect to shift to reporting only the floating discount rate going forward.

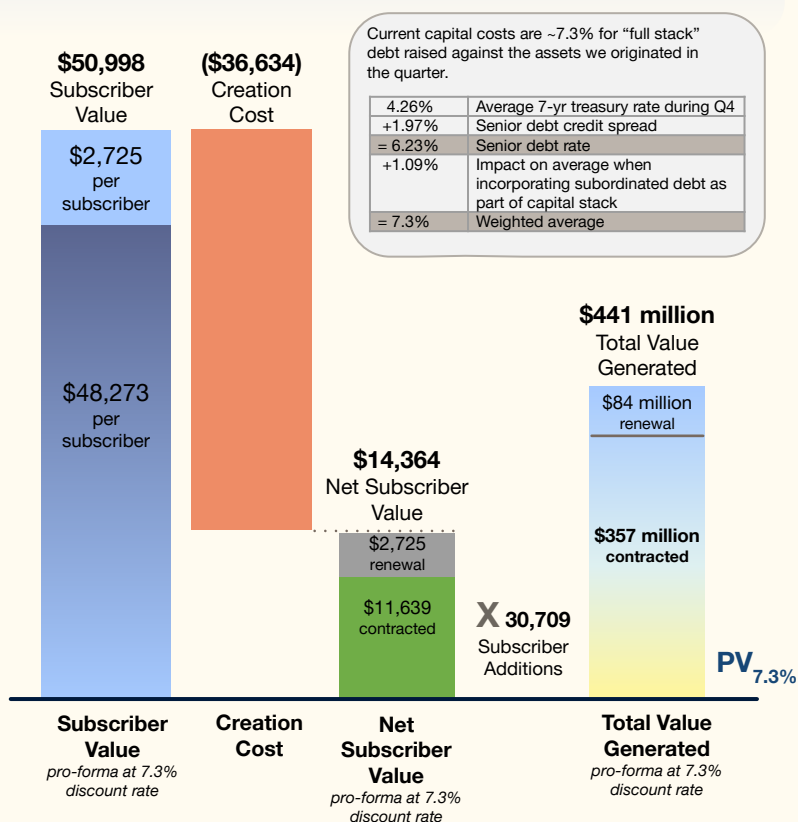
## Unit-level & Aggregate Value Creation Metrics

Using fixed 6% Discount Rate



## Unit-level & Aggregate Value Creation Metrics

Using current capital costs of 7.3% in period



Current capital costs are ~7.3% for "full stack" debt raised against the assets we originated in the quarter.

4.26%	Average 7-yr treasury rate during Q4
+1.97%	Senior debt credit spread
= 6.23%	Senior debt rate
+1.09%	Impact on average when incorporating subordinated debt as part of capital stack
= 7.3%	Weighted average

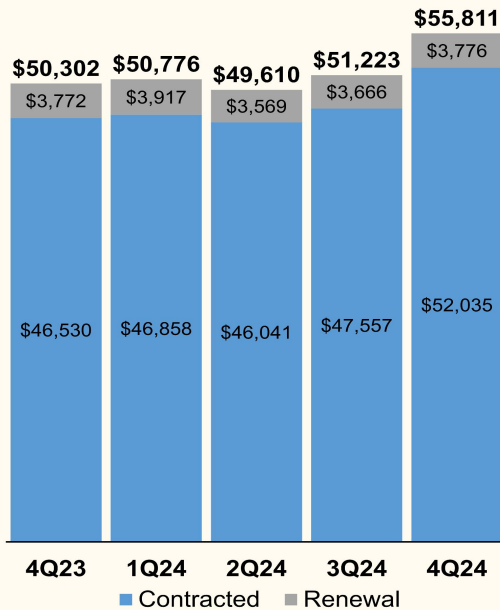
Q4 average subscriber system size was 7.6 KWs  
See Appendix for glossary of terms and accompanying notes.

# Net Subscriber Value increased to record levels in Q4

- Net Subscriber Value expanded to \$19,177 driven by record-high battery attachment rate at 62%, ITC levels of 39.8%, fixed cost absorption benefits with higher volumes and continued cost efficiency efforts.
- Efficiency improvements and hardware cost declines have largely offset the increased costs associated with increasing storage attachment rates.

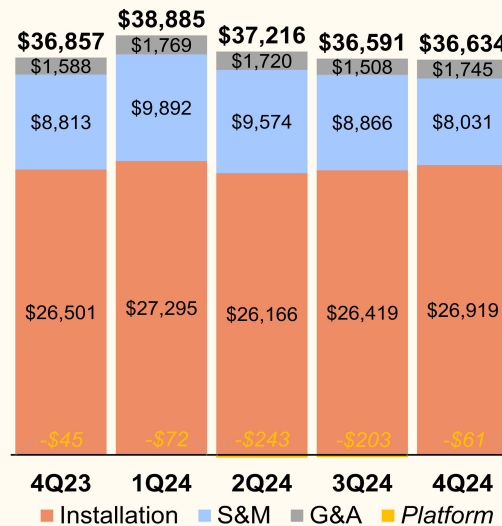
## Subscriber Value

+11% y/y, +9% q/q



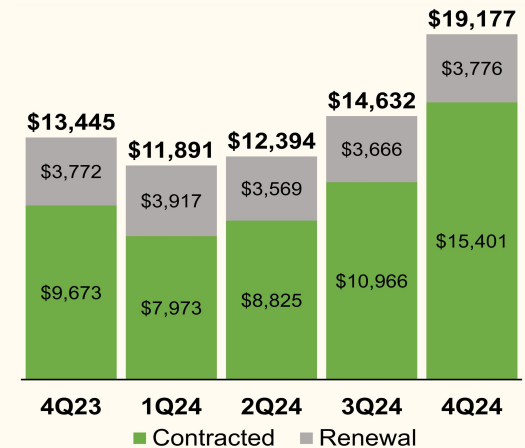
## Creation Cost

-1% y/y, ~flat q/q



## Net Subscriber Value

+43% y/y, +31% q/q



Note: Subscriber Value and Net Subscriber Value above reflect a fixed 6% discount rate. Going forward, we anticipate providing these metrics using a market-observed discount rate. See Appendix for glossary of terms and accompanying notes.

# Three 10% ITC adders enhance unit economics

- These ITC adders will make solar more affordable and accessible to a broader consumer population. Each adder represents an incremental 10% ITC per subscriber, except for the low-income multifamily housing adder, which is 20%.
- ITC adders are only available to commercial taxpayers and thus only benefit the subscription-service model, as opposed to customer-purchased and loan-financed systems, which are not eligible.
- Domestic content qualification is approximately 36% of our volume in Q4, and is expected to increase significantly in the coming quarters as more domestically-produced equipment is available.

<b>Energy Communities</b> <i>10% Additional ITC</i>	<b>+4.2%</b> <b>in Q4</b>
<b>Low-Income</b> <i>10% Additional ITC (or 20% for Multifamily Housing)</i>	<b>+2.0%</b> <b>in Q4</b>
<b>Domestic Content</b> <i>10% Additional ITC</i>	<b>+3.6%</b> <b>in Q4</b>

**~39.8%**

**average ITC in Q4**

an increase from ~37.7% in Q3

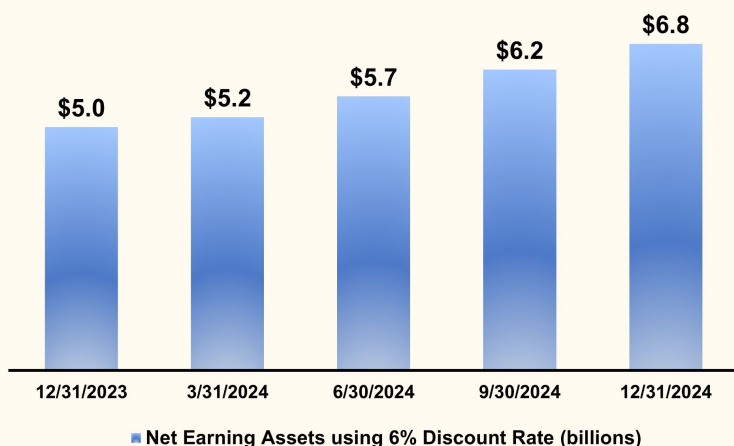
**Adder qualification rates continue to increase monthly and our average ITC is already at ~42% for installations in January 2025.**

**We expect our weighted average ITC to be around 44% for the full-year 2025.**

*1% of increased weighted average ITC realization equates to approximately \$50 million increase in finance proceeds, which we will determine how to allocate between stakeholders, including customer pricing, to maximize our impact.*

*We are deploying a sensible value optimization strategy on a market-by-market, product-by-product and route-to-market basis to ensure appropriate returns and volume realization.*

# Net Earning Assets increased to \$6.8 billion



- We have ~\$17.8 billion in Gross Earning Assets, which is our measure of the present value of cash flows from customers over time.
- Projected cash flow from customers plus cash, less total debt represents \$6.8 billion in present value, which we call Net Earning Assets. Net Earning Assets includes both recourse and non-recourse debt and Total Cash.
- Net Earning Assets excludes other assets, such as inventory (\$402 million as of 4Q24) and a portion of systems currently under construction but not yet recognized as deployed and therefore not yet reflected in Gross Earning Assets.
- Existing assets are financed with fixed-rate debt or floating-rate debt where the vast majority of the base rate exposure is hedged with interest rate swaps. As such, adjusting the discount rate applied to the entire fleet of existing assets with current financing costs is not appropriate.

(\$ in millions)	4Q23	1Q24	2Q24	3Q24	4Q24
<i>Discount Rate used to calculate Gross Earning Assets</i>	6%	6%	6%	6%	6%
Gross Earning Assets Contracted Period	\$10,802	\$11,545	\$12,051	\$12,964	\$13,791
Gross Earning Assets Renewal Period	\$3,364	\$3,492	\$3,641	\$3,815	\$4,043
<b>Gross Earning Assets</b>	<b>\$14,167</b>	<b>\$15,038</b>	<b>\$15,692</b>	<b>\$16,780</b>	<b>\$17,834</b>
(-) Recourse Debt & Convertible Senior Notes	(\$932)	(\$1,050)	(\$1,043)	(\$996)	(\$864)
(-) Non-Recourse Debt	(\$9,740)	(\$10,098)	(\$10,919)	(\$11,456)	(\$12,038)
(-) Pass-through financing obligation	(\$295)	(\$270)	(\$1)	(\$1)	\$0
(+) Pro-forma debt adj. for debt within project equity funds <sup>(1)</sup>	\$852	\$844	\$905	\$894	\$887
(+) Total Cash	\$988	\$783	\$1,042	\$1,011	\$947
<b>Net Earning Assets</b>	<b>\$5,040</b>	<b>\$5,247</b>	<b>\$5,675</b>	<b>\$6,231</b>	<b>\$6,766</b>

Note: Figures presented in the table and chart may be rounded.

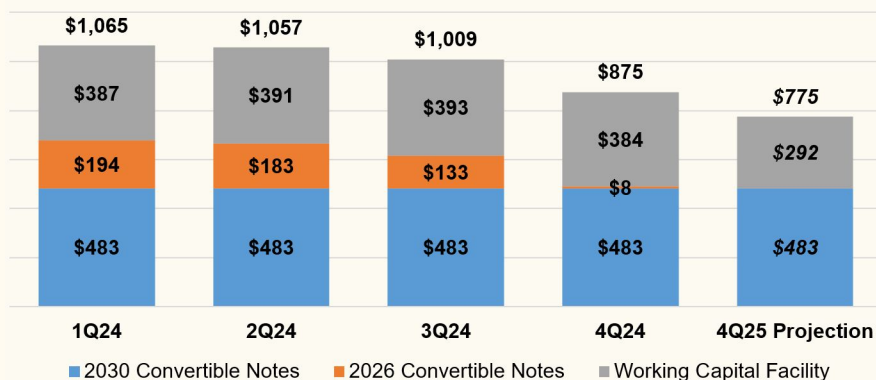
(1) Because estimated cash distributions to our project equity partners are deducted from Gross Earning Assets, a proportional share of the corresponding project level non-recourse debt is deducted from Net Earning Assets, as such debt would be serviced from cash flows already excluded from Gross Earning Assets. See Appendix for glossary of terms and accompanying notes.

# Delivered third consecutive quarter of positive Cash Generation while paying down recourse debt and growing Net Earning Assets

- Delivered third consecutive quarter of positive Cash Generation, and expect positive Cash Generation in every quarter of 2025, including Q1 which is typically lower owing to seasonality.
- During 4Q24 we repurchased \$125.5 million of our 2026 Convertible Notes (\$400 million issued initially in 2021). As of December 31, 2024 we had only \$7.7 million outstanding, which we plan on repurchasing in the coming quarters.
- We expect to further pay down recourse debt in 2025 by \$100 million or more. Aside from the \$7.7 million outstanding of our 2026 Convertible Notes, we have no recourse debt maturities until March 2027. We have taken proactive steps to both pay down recourse debt, extend maturities and afford Sunrun the ability to be selective in timing capital market activities.
- Since the end of March 2024 we have paid down recourse debt by \$186 million by repurchasing our 2026 Convertible Notes and reducing borrowings under our recourse Working Capital Facility. We have also increased our Total Cash balance by \$164 million and grown Net Earning Assets by \$1.5 billion. Over time we will explore further capital allocation options to maximize shareholder value, based on market conditions and long-term outlook.

**We have produced positive Cash Generation of \$253 million, payed down recourse debt by \$186 million and grown Net Earning Assets by \$1.5 billion over the last three quarters**

**Recourse Debt Balance<sup>(1)</sup>**  
\$, millions



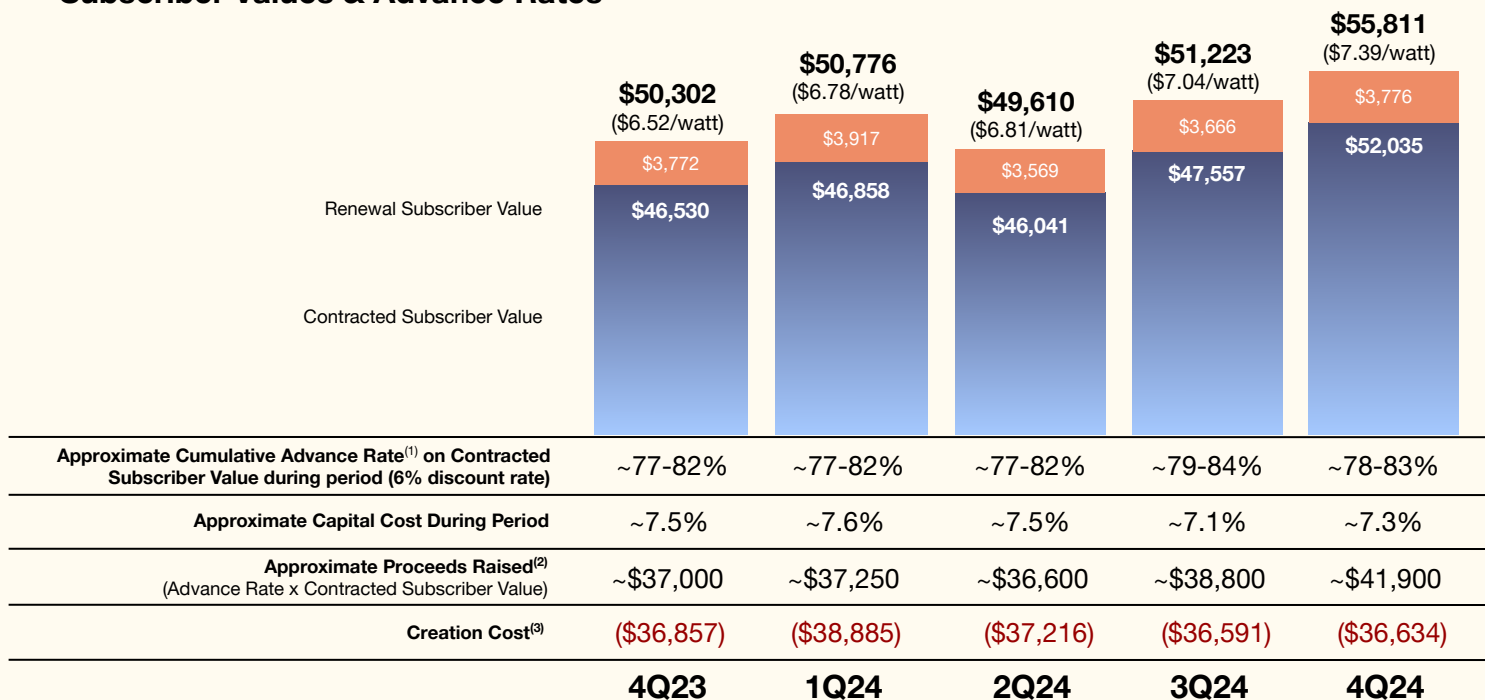
\$ millions	Cumulative Change from 2Q24 to 4Q24	Ending 4Q24
Cash Generation	<b>\$253</b>	\$34
Net Earning Assets (incl. renewal)	<b>+\$1,520</b>	\$6,766
Contracted Net Earning Assets	<b>+\$969</b>	\$2,723
Total Cash	<b>+\$164</b>	\$947
Total Recourse Debt	<b>\$(186)</b>	\$864

(1) Gross balances in 'Recourse Debt Balance' chart exclude unamortized debt discount; table on right represents consolidated balance sheet which is presented net of unamortized debt discount.

# Sunrun has achieved strong Subscriber Values

- Sunrun has increased pricing and adjusted go-to-market approaches multiple times since 2022 to respond to inflation and higher interest rates. High utility rate inflation across the United States has provided us headroom to increase pricing while still delivering a strong customer value proposition.
- Higher cost of capital has reduced the amount of proceeds Sunrun can obtain upfront against the value of deployed systems, with advance rates declining in recent periods. Based on capital costs observed in Q4, advance rates are estimated to be approximately 78% to 83% as measured against Contracted Subscriber Value calculated using a 6% discount rate.
- Each ~100 bps change in cost of capital results in ~3% change in cumulative advance rate.

## Subscriber Values & Advance Rates



See Appendix for glossary of terms.

(1) Cumulative Advance Rate is the sum of actual and anticipated proceeds from tax equity, state rebates & incentives, customer prepayments and non-recourse debt raised against assets in period divided by Contracted Subscriber Value.

(2) Approximate proceeds raised is presented at the midpoint of presented Cumulative Advance Rate range. Figure presented is rounded.

(3) Note that Creation Cost excludes certain costs, including stock based compensation (SBC) and R&D expenses, and does not reflect traditional working capital items (e.g. inventory, receivables etc).

# Sunrun has demonstrated 15+ years of consistent capital markets execution

- We have a strong track record of attracting low-cost capital from diverse sources. Our access to capital markets puts us in a position to offer more advantageous financing options to consumers while creating long-term value for investors.
- We have demonstrated industry-leading execution throughout our history, with the market and rating agencies increasingly recognizing both the high quality of residential solar assets as well as our track record as a sponsor.

## More than \$7 billion in Maturities Extended or Capital Arranged in 2024

### Recourse Working Capital Facility

In February 2024 we extended the maturity from January 2025 to November 2025. In 3Q24 we extended the maturity to March 2027 pursuant to the provisions of the agreement.

**\$448 million**

**2030 Convertible Note** placed in February 2024; use of proceeds included purchasing part of the 2026 Convertible note with continued repurchases expected. Through December 2024, 98% of the 2026 notes have been repurchased.

**\$483 million**

### Non-recourse Senior Revolving Warehouse Facility

Size increased from \$1.8b (+\$550m) and maturity extended from April 2025 to February 2028; Upsized again in July 2024 by \$280m to \$2.63b.

**\$2.6 billion**

### Non-Recourse Senior ABS & Subordinated Debt

We issued four securitizations in 2024 and arranged subordinated debt against these portfolios.

**>\$2.4 billion**

### New Tax Equity Commitments

**>\$1.6 billion**

**We have extended our runway of tax equity commitments and term sheets, including \$1.3 billion added during 2025. We have also raised more than \$800 million in non-recourse debt financing year-to-date.**

### Robust project finance runway allows us to be selective in timing capital market activities

- Closed transactions and executed term sheets provide us with expected tax equity capacity to fund over 500 megawatts of projects for Subscribers beyond what was deployed through Q4.
- Sunrun also has unused commitments available in its non-recourse senior revolving warehouse loan after the January securitization to fund approximately 230 megawatts of projects for Subscribers.



# Enhancing metrics in 2025

- To make the Sunrun unit economics and aggregate value creation easier to track and more clearly present value creation activities, we plan to modify our set of metrics starting with our 1Q25 reporting in May. We will continue to report all of the metrics we report today.
- We plan on **retiring the use of a fixed 6% discount rate** to calculate Subscriber Value and thus Net Subscriber Value, and instead will use the project-level capital cost observed each period. This is identical to the pro-forma Subscriber Value and Net Subscriber Value we have reported for over a year (e.g., see slide 11).
- We will provide a more precise **Advance Rate on Contracted Subscriber Value** each period, as opposed to a range, to show our estimated upfront proceeds obtained for volume originated each period.
- We do not view non-financial Solar Energy Capacity Installed and Storage Capacity Installed volumes, taken in isolation, as indicative of value creation activities. While these figures will be reported quarterly, we will not issue specific guidance on these items.

**We will guide to the following metrics:**

**Aggregate  
Subscriber Value**

**Contracted Net  
Value Creation**

**Cash Generation**

# Summary of key metrics for reporting in 2025

## Unit Economics *(per Subscriber Addition)*

### Subscriber Value

- Now calculated using a floating discount rate, based on observed project-level capital costs each period.
- Both Contracted Subscriber Value and non-contracted Subscriber Value will be reported.

### Advance Rate on Contracted Subscriber Value

- Expected upfront proceeds from non-recourse project-level debt, tax equity and upfront customer prepayments and incentives, expressed as a percent of Contracted Subscriber Value.

### Creation Costs

- All Operating Expenses and Capital Expenditures associated with new system installations, fully-burdened with S&M, G&A, and R&D costs, per Subscriber Addition.

### Net Subscriber Value

- Subscriber Value less Creation Costs.
- Can be calculated to include only the contracted portion or only upfront proceeds.

## Aggregate Value Creation *(\$ millions)*

### Aggregate Subscriber Value

- Subscriber Value multiplied by Subscriber Additions.
- Represents gross value of Subscribers we added in the period.

### Aggregate Creation Costs

- All Operating Expenses and Capital Expenditures associated with new system installations, fully-burdened with S&M, G&A, and R&D costs.

### Contracted Net Value Creation

- Contracted-only portion of Aggregate Subscriber Value conservatively excluding non-contracted value such as grid services or customer renewals, less Aggregate Creation Costs.

### Cash Generation

- No change to current definition: Effectively the change in unrestricted cash, plus reductions to recourse debt and less any parent-level equity activity.
- Net of all working capital changes and debt servicing.

## Fleet Value *(\$ millions)*

### Gross Earning Assets

- No changes to current definition. Both Contracted and non-contracted Gross Earning Assets will be reported.
- Present value (using 6% discount rate) of expected cash flows from Subscribers, less estimated O&M costs and distributions to tax equity and project equity partners, as of the measurement date.

### Net Earning Assets

- No changes to current definition.
- Calculated as Gross Earning Assets less all debt, plus total cash.
- Contracted Net Earning Assets can be calculated, which excludes all non-contracted Gross Earning Assets.

# Outlook



## 1Q 2025:

- **Cash Generation** expected to be in a range of \$40 million to \$50 million, representing the fourth consecutive quarter of positive Cash Generation.<sup>(1)</sup>
- **Storage Capacity Installed** is expected to be in a range of 265 to 275 Megawatt hours, representing 30% year-over-year growth at the midpoint.
- **Solar Energy Capacity Installed** is expected to be in a range of 170 to 180 Megawatts, representing approximately flat year-over-year growth.

## Full-year 2025:

- **Cash Generation** of \$200 million to \$500 million.<sup>(1)</sup>
- We expect robust growth in **Storage** volumes.
- **Solar** volumes are expected to be approximately flat year-over-year.
- Paying down \$100 million or more of recourse debt by the end of the year.

## 2026 and beyond:

- **Cash Generation** is expected to grow year-over-year.
- Committed to a capital allocation strategy that drives significant shareholder value as recourse debt is at target levels.

***New metrics and guidance structure will be used starting with 1Q25 reporting. We will guide to Aggregate Subscriber Value, Contracted Net Value Creation, and Cash Generation.***

(1) See page 20 for our Cash Generation targets and assumptions underpinning our targets.

# Updating Cash Generation guidance to \$200 million to \$500 million in 2025

Cash Generation represents the change in Sunrun's total unrestricted cash balance, less any increases in recourse debt or issuance of equity (or plus any decreases in repayment of recourse debt or stock repurchases). Cash Generation provides credit for non-recourse asset-level financing and tax credit monetization used to fund growth. Cash Generation is provided in the model posted to Sunrun's investor website and is derived entirely from our GAAP financial statements.

## 2025 Cash Generation guidance of \$200 to \$500 million

**Q1 2025 Cash Generation guidance of \$40 to \$50 million which would result in a trailing four quarter Cash Generation of \$293 to \$303 million**

### Key Sensitivities Underpinning Our 2025 Outlook

#### ITC Realization

1% of weighted average ITC realization equates to approximately **\$50 million** in financing proceeds  
*44% average ITC assumed in 2025*

#### Cost of Capital

25 bps change in realized capital cost equates to approximately **\$40 million**  
*~7.5% to ~8% cost of capital assumed in 2025*

#### Battery Attachment Rates

1% change in battery attachment rates equates to approximately a **\$8 million**  
*~66% attachment rate assumed in 2025*

**Finance proceeds flow through to Cash Generation and can be moderated by customer pricing and sales compensation levels, especially over the long-term**

#### Policy, volume & typical timing-related considerations assumed in Cash Generation:

- **Volume:** Storage installations are expected to grow at a robust pace, while solar installations are expected to be approximately flat compared to the prior year – with higher growth in our direct business than our Affiliate Partner business.
- **Incentive Monetization Timing:** Assumes slight improvement in the terms associated with ITC transferability funds from current achievement, gradually over the course of 2025. LMI allocation process and final approvals obtained without extraordinary delays.
- **Capital Markets Timing:** Assumes normal cadence and timing of project finance execution.
- **Other Working Capital:** Local program incentives and rebates received as expected, inventory managed to target levels. Excludes potential working capital investments for safe harbor equipment purchases.
- **Policy:** Assumes no material changes to tax policy or tariffs.

See Appendix for glossary of terms, including Cash Generation.



Appendix

# Metric Sensitivity Tables

## Gross Earning Assets Contracted Period

\$ in millions, As of December 31, 2024

<u>Default rate</u>	<u>Discount rate</u>				
	<u>4%</u>	<u>5%</u>	<u>6%</u>	<u>7%</u>	<u>8%</u>
5%	\$ 16,023	\$ 14,620	\$ 13,402	\$ 12,342	\$ 11,413
0%	\$ 16,514	\$ 15,055	\$ 13,791	\$ 12,689	\$ 11,726

## Gross Earning Assets Renewal Period

\$ in millions, As of December 31, 2024

<u>Purchase or Renewal rate</u>	<u>Discount rate</u>				
	<u>4%</u>	<u>5%</u>	<u>6%</u>	<u>7%</u>	<u>8%</u>
80%	\$ 5,153	\$ 4,242	\$ 3,507	\$ 2,913	\$ 2,429
90%	\$ 5,939	\$ 4,889	\$ 4,043	\$ 3,358	\$ 2,801
100%	\$ 6,725	\$ 5,537	\$ 4,579	\$ 3,804	\$ 3,173

## Gross Earning Assets

\$ in millions, As of December 31, 2024

<u>Purchase or Renewal rate</u>	<u>Discount rate</u>				
	<u>4%</u>	<u>5%</u>	<u>6%</u>	<u>7%</u>	<u>8%</u>
80%	\$ 21,667	\$ 19,297	\$ 17,298	\$ 15,602	\$ 14,155
90%	\$ 22,453	\$ 19,945	\$ 17,834	\$ 16,047	\$ 14,527
100%	\$ 23,240	\$ 20,593	\$ 18,370	\$ 16,493	\$ 14,899

## Net Earning Assets

\$ in millions, As of December 31, 2024

<u>Net Earning Assets</u>	<u>Gross Earning Assets Discount rate</u>				
	<u>4%</u>	<u>5%</u>	<u>6%</u>	<u>7%</u>	<u>8%</u>
	\$ 11,386	\$ 8,878	\$ 6,766	\$ 4,980	\$ 3,459

## Subscriber Value

\$ per Subscriber, for Subscriber Additions in 4Q 2024

	<u>Discount rate</u>			
	<u>5%</u>	<u>6%</u>	<u>7%</u>	<u>8%</u>
Subscriber Value Contracted Period	\$ 55,463	\$ 52,035	\$ 49,111	\$ 46,606
Subscriber Value Renewal Period	\$ 4,859	\$ 3,776	\$ 2,946	\$ 2,308
<b>Total Subscriber Value</b>	<b>\$ 60,322</b>	<b>\$ 55,811</b>	<b>\$ 52,057</b>	<b>\$ 48,914</b>

- Net Earning Assets excludes other assets, such as Inventory (\$402 million as of 12/31/2024) and a portion of systems currently under construction but not yet recognized as deployed and therefore not yet reflected in Gross Earning Assets.
- Existing assets are financed with fixed-rate debt or floating-rate debt where the vast majority of the base rate exposure is hedged with interest rate swaps. As such, adjusting the discount rate applied to the entire fleet of existing assets with current financing costs applicable to new asset originations is not appropriate.

See Appendix for glossary of terms and accompanying notes.

# GAAP Income Statement

Consolidated GAAP Income Statement (\$ in millions)	FY2021	FY2022	FY2023	1Q24	2Q24	3Q24	4Q24	FY2024
<b>Revenue:</b>								
Customer agreements	\$ 725	\$ 872	\$ 1,077	\$ 304	\$ 358	\$ 369	\$ 358	\$ 1,388
Incentives	101	111	110	19	30	37	31	117
Customer agreements and incentives	827	983	1,187	323	388	406	389	1,505
Solar energy systems	471	914	656	65	55	47	37	205
Products	312	424	417	70	81	84	93	328
Solar energy systems and product sales	783	1,338	1,073	135	136	131	130	532
<b>Total revenue</b>	<b>1,610</b>	<b>2,321</b>	<b>2,260</b>	<b>458</b>	<b>524</b>	<b>537</b>	<b>518</b>	<b>2,038</b>
<b>Operating expenses:</b>								
Cost of customer agreements and incentives	699	844	1,077	270	299	308	293	1,169
Cost of solar energy systems and product sales	666	1,179	1,020	156	130	125	128	540
Sales and marketing	623	745	741	152	152	162	151	617
Research and development	23	21	22	12	10	8	9	39
General and administrative	259	189	214	51	61	61	72	245
Goodwill impairment	-	-	1,158	-	-	-	3,122	3,122
Amortization of intangible assets	5	5	7	-	-	-	-	-
<b>Total operating expenses</b>	<b>2,276</b>	<b>2,984</b>	<b>4,238</b>	<b>641</b>	<b>652</b>	<b>665</b>	<b>3,775</b>	<b>5,733</b>
<b>Loss from operations</b>	<b>(666)</b>	<b>(662)</b>	<b>(1,979)</b>	<b>(183)</b>	<b>(128)</b>	<b>(128)</b>	<b>(3,256)</b>	<b>(3,695)</b>
Interest expense, net	328	446	653	192	207	216	233	848
Other expenses (income), net	(23)	(261)	64	(90)	(64)	83	(90)	(162)
Loss before income taxes	(971)	(847)	(2,696)	(285)	(271)	(426)	(3,400)	(4,382)
Income tax (benefit) expense	9	2	(13)	(2)	(11)	(14)	0	(27)
Net loss	(981)	(850)	(2,683)	(283)	(260)	(412)	(3,400)	(4,355)
Net loss attributable to NCI and non redeemable NCI	(901)	(1,023)	(1,078)	(195)	(399)	(328)	(586)	(1,509)
<b>Net income (loss) attributable to common stockholders</b>	<b>(79)</b>	<b>173</b>	<b>(1,604)</b>	<b>(88)</b>	<b>139</b>	<b>(84)</b>	<b>(2,814)</b>	<b>(2,846)</b>
<b>EPS, diluted</b>	<b>\$ (0.39)</b>	<b>\$ 0.80</b>	<b>\$ (7.41)</b>	<b>\$ (0.40)</b>	<b>\$ 0.55</b>	<b>\$ (0.37)</b>	<b>\$(12.51)</b>	<b>\$ (12.81)</b>
Wt avg basic shares	205	211	217	220	222	224	225	222
Wt avg diluted shares	205	219	217	220	255	224	225	222

Customer Agreements and Incentive Revenue is comprised of ongoing revenue from customers under long-term agreements, amortization of prepaid systems, and incentive revenue. The value of the Investment Tax Credits (ITC) are recognized as Incentive revenue, when monetized using a pass-through financing structure.

The majority of Customer Agreements and Incentives COGS is depreciation (~\$621m total depreciation & amortization in 2024). This also includes operating & maintenance costs and non-capitalized costs associated with installation-related activities.

A large portion of our Sales & Marketing spend is expensed in period, while it relates to customers with ~20 or ~25 years of contracted revenue.

The Loss Attributable to Non-Controlling Interests is primarily driven by our monetization of the Investment Tax Credit (ITC) with our Tax Equity partners with partnership flip structures. Assume a tax investor contributes about ~\$1.8 per watt in cash and then immediately receives back a tax credit worth \$1.3 per watt. After receipt of the tax credit, the investor's remaining non-controlling interest in Sunrun's solar facility is now only \$0.5 per watt, which is repaid over about 6 years through cash distributions and depreciation deductions. Like the elimination of a liability, the reduction in the tax investor's non-controlling interest from ~\$1.8 per watt to ~\$0.5 per watt is income to Sunrun common shareholders. Because Sunrun received this \$1.3 per watt in cash through a partnership, this income is accounted for under GAAP using the hypothetical liquidation at book value (HLBV) method as a "loss attributable to non-controlling interests," rather than revenue.

Reflected in Sunrun's 2023 and 2024 GAAP results are large one-time non-cash charges:

2023: \$1.2 billion Goodwill impairment.

2024: \$3.1 billion Goodwill impairment.

# GAAP Balance Sheet

Consolidated GAAP Balance Sheet (\$ in millions)	FY2021	FY2022	FY2023	1Q24	2Q24	3Q24	4Q24	FY2024
Cash	\$ 618	\$ 741	\$ 679	\$ 487	\$ 708	\$ 534	\$ 575	\$ 575
Restricted cash (current and long term)	233	213	309	296	335	477	372	372
Accounts receivable	146	214	172	170	180	183	171	171
Inventories	507	784	460	412	353	342	402	402
Prepaid expenses and other current assets	45	147	263	306	101	67	203	203
Solar energy systems, net	9,460	10,988	13,029	13,423	13,857	14,428	15,032	15,032
Property and equipment, net	57	67	149	157	143	135	121	121
Intangible assets, net	13	8	-	-	-	-	-	-
Goodwill	4,280	4,280	3,122	3,122	3,122	3,122	-	-
Other assets	913	1,503	1,799	1,946	2,078	2,817	3,022	3,022
<b>Total assets</b>	<b>16,483</b>	<b>19,269</b>	<b>20,450</b>	<b>20,834</b>	<b>21,443</b>	<b>22,104</b>	<b>19,898</b>	<b>19,898</b>
Accounts payable, accrued expenses and other	652	746	730	825	566	655	898	898
Other current liabilities	32	32	35	34	35	44	41	41
Deferred revenue (current and long-term)	874	1,096	1,196	1,230	1,261	1,293	1,338	1,338
Deferred grants (current and long-term)	215	209	204	202	199	197	204	204
Finance lease obligation (current and long-term)	22	29	91	98	107	101	92	92
Non-recourse debt (current and long-term)	5,901	7,501	9,740	10,098	10,919	11,456	12,038	12,038
Recourse debt & convertible notes (current and long-term)	602	898	932	1,050	1,043	996	864	864
Pass-through financing obligation (current and long-term)	321	306	295	270	1	1	-	-
Other liabilities	190	140	191	147	152	212	120	120
Deferred tax liabilities	102	133	123	122	112	115	138	138
<b>Total liabilities</b>	<b>8,911</b>	<b>11,090</b>	<b>13,536</b>	<b>14,076</b>	<b>14,395</b>	<b>15,070</b>	<b>15,734</b>	<b>15,734</b>
Redeemable noncontrolling interests in subsidiaries	595	610	676	657	636	634	624	624
Stockholders' equity	6,255	6,708	5,230	5,180	5,366	5,278	2,554	2,554
Noncontrolling interests in subsidiaries	723	861	1,008	921	1,047	1,123	986	986
<b>Total liabilities and shareholders' equity</b>	<b>16,483</b>	<b>19,269</b>	<b>20,450</b>	<b>20,834</b>	<b>21,443</b>	<b>22,104</b>	<b>19,898</b>	<b>19,898</b>

Deferred revenue is primarily Customer Prepayments which are recognized over the life of the contract, typically 20 or 25 years (\$950.2 million balance of Payments Received Under Customer Agreements at the end of 2024).

~\$12.0 billion of our debt is non-recourse project debt and solely secured by the solar assets.

Non-controlling interests represent our Tax Equity (under partnership flip structures) and Project Equity investors' interests in our funds.



# GAAP Cash Flow Statement

Consolidated GAAP Statement of Cash Flow (\$ in millions)	FY2021	FY2022	FY2023	1Q24	2Q24	3Q24	4Q24	FY2024
<i>Operating Activities:</i>								
<b>Net loss</b>	\$ (981)	\$ (850)	\$ (2,683)	\$ (283)	\$ (260)	\$ (412)	\$(3,400)	\$ (4,355)
Depreciation & amort, net of amort of deferred grants	388	451	532	151	152	156	162	621
Goodwill impairment	-	-	1,158	-	-	-	3,122	3,122
Deferred income taxes	10	2	(13)	(2)	(11)	(14)	0	(27)
Stock-based compensation expense	211	111	112	29	28	27	29	113
Interest on pass-through financing obligations	21	20	20	5	4	-	-	9
Reduction in pass-through financing obligations	(42)	(41)	(40)	(9)	(10)	(2)	-	(21)
Other noncash losses and expenses	61	(131)	289	(40)	9	139	(17)	90
Changes in operating assets and liabilities	(485)	(411)	(195)	8	(121)	(50)	(155)	(319)
<b>Net cash provided by (used in) operating activities</b>	<b>(817)</b>	<b>(849)</b>	<b>(821)</b>	<b>(143)</b>	<b>(209)</b>	<b>(156)</b>	<b>(258)</b>	<b>(766)</b>
<i>Investing activities:</i>								
Payments for the costs of solar energy systems	(1,678)	(1,993)	(2,587)	(539)	(605)	(764)	(792)	(2,699)
Purchases of equity method investment	-	(75)	(5)	-	-	-	-	-
Purchases of property and equipment	(9)	(18)	(21)	4	(4)	(0)	(1)	(2)
<b>Net cash used in investing activities</b>	<b>(1,686)</b>	<b>(2,086)</b>	<b>(2,613)</b>	<b>(535)</b>	<b>(609)</b>	<b>(764)</b>	<b>(792)</b>	<b>(2,701)</b>
<i>Financing activities:</i>								
Proceeds from grants and state tax credits	-	-	4	-	5	-	-	5
Proceeds from recourse debt (incl. convertibles)	1,110	1,165	1,166	585	4	162	49	799
Repayment of recourse debt	(758)	(871)	(1,132)	(292)	-	(160)	(57)	(510)
Repurchase of convertible senior notes	-	-	(2)	(174)	(10)	(46)	(117)	(347)
Proceeds from non-recourse debt	2,187	3,429	3,746	770	1,845	750	645	4,010
Repayment of non-recourse debt	(856)	(1,799)	(1,576)	(432)	(1,022)	(238)	(103)	(1,795)
Payment of debt fees	(54)	(63)	(47)	(48)	(35)	(11)	(0)	(94)
Proceeds from pass-through & other financing obligations	10	4	9	2	2	1	-	5
Repayment of pass-through financing & other obligations	(18)	-	-	(20)	(220)	-	-	(240)
Payment of finance lease obligations	(12)	(14)	(23)	(7)	(7)	(7)	(7)	(27)
Contributions received from NCI and redeemable NCI	1,239	1,415	1,572	164	632	495	521	1,812
Distributions paid to NCI and redeemable NCI	(196)	(218)	(225)	(75)	(108)	(56)	(70)	(309)
Acquisition of non-controlling interests	(42)	(43)	(46)	(1)	(19)	(2)	(5)	(26)
Proceeds from transfer of investment tax credits	-	-	-	107	228	223	149	706
Payments to NCI of investment tax credits	-	-	-	(107)	(228)	(223)	(149)	(706)
Proceeds from trade receivable financing, net	-	-	-	-	-	-	124	124
Net proceeds related to stock-based award activities	36	33	23	1	10	1	7	19
<b>Net cash provided by financing activities</b>	<b>2,646</b>	<b>3,037</b>	<b>3,469</b>	<b>474</b>	<b>1,076</b>	<b>889</b>	<b>988</b>	<b>3,427</b>

Cash Flow From Operations is negative as typically ~25-30% of our Creation Costs are expensed in the period, while revenue is recognized over 80 quarters or more. Additionally, we raise Debt and Project Equity to fund our growth, which covers CFO and CFI.



These investments are the capex for our solar energy systems. Approximately 70-75% of our Creation Costs are capitalized, the rest are expensed in-period on our income statement.

We raise non-recourse project debt on assets, which is serviced by cash flows from contracted customer payments.

Contributions from NCI represent investments from (1) Tax Equity investors in partnership flip funds, where they receive the Investment Tax Credit, certain depreciation attributes, and a share of cash flows, along with (2) Project Equity investors such as National Grid, which receive a share of cash flows from the funds. In 2024, proceeds from NCI and proceeds from pass-through and other financial obligations averaged ~\$2.27 per watt.

# Glossary

**Deployments** represent solar or storage systems, whether sold directly to customers or subject to executed Customer Agreements (i) for which we have confirmation that the systems are installed, subject to final inspection, or (ii) in the case of certain system installations by our partners, for which we have accrued at least 80% of the expected project cost (inclusive of acquisitions of installed systems).

**Customer Agreements** refer to, collectively, solar or storage power purchase agreements and leases.

**Subscriber Additions** represent the number of Deployments in the period that are subject to executed Customer Agreements.

**Customer Additions** represent the number of Deployments in the period.

**Solar Energy Capacity Installed** represents the aggregate megawatt production capacity of our solar energy systems that were recognized as Deployments in the period.

**Solar Energy Capacity Installed for Subscribers** represents the aggregate megawatt production capacity of our solar energy systems that were recognized as Deployments in the period that are subject to executed Customer Agreements.

**Storage Capacity Installed** represents the aggregate megawatt hour capacity of storage systems that were recognized as Deployments in the period.

**Creation Cost** represents the sum of certain operating expenses and capital expenditures incurred divided by applicable Customer Additions and Subscriber Additions in the period. Creation Cost is comprised of (i) installation costs, which includes the increase in gross solar energy system assets and the cost of customer agreement revenue, excluding depreciation expense of fixed solar assets, and operating and maintenance expenses associated with existing Subscribers, plus (ii) sales and marketing costs, including increases to the gross capitalized costs to obtain contracts, net of the amortization expense of the costs to obtain contracts, plus (iii) general and administrative costs, and less (iv) the gross profit derived from selling systems to customers under sale agreements and Sunrun's product distribution and lead generation businesses. Creation Cost excludes stock based compensation, amortization of intangibles, and research and development expenses, along with other items the company deems to be non-recurring or extraordinary in nature. The gross margin derived from solar energy systems and product sales is included as an offset to Creation Cost since these sales are ancillary to the overall business model and lowers our overall cost of business. The sales, marketing, general and administrative costs in Creation Costs is inclusive of sales, marketing, general and administrative activities related to the entire business, including solar energy system and product sales. As such, by including the gross margin on solar energy system and product sales as a contra cost, the value of all activities of the Company's segment are represented in the Net Subscriber Value.

**Subscriber Value** represents the per subscriber value of upfront and future cash flows (discounted at 6%) from Subscriber Additions in the period, including expected payments from customers as set forth in Customer Agreements, net proceeds from tax equity finance partners, payments from utility incentive and state rebate programs, contracted net grid service program cash flows, projected future cash flows from solar energy renewable energy credit sales, less estimated operating and maintenance costs to service the systems and replace equipment, consistent with estimates by independent engineers, over the initial term of the Customer Agreements and estimated renewal period. For Customer Agreements with 25 year initial contract terms, a 5 year renewal period is assumed. For a 20 year initial contract term, a 10 year renewal period is assumed. In all instances, we assume a 30-year customer relationship, although the customer may renew for additional years, or purchase the system.

**Net Subscriber Value** represents Subscriber Value less Creation Cost.

**Total Value Generated** represents Net Subscriber Value multiplied by Subscriber Additions.

**Customers** represent the cumulative number of Deployments, from the company's inception through the measurement date.

**Subscribers** represent the cumulative number of Customer Agreements for systems that have been recognized as Deployments through the measurement date.

**Networked Solar Energy Capacity** represents the aggregate megawatt production capacity of our solar energy systems that have been recognized as Deployments, from the company's inception through the measurement date.

**Networked Solar Energy Capacity for Subscribers** represents the aggregate megawatt production capacity of our solar energy systems that have been recognized as Deployments, from the company's inception through the measurement date, that have been subject to executed Customer Agreements.

**Networked Storage Capacity** represents the aggregate megawatt hour capacity of our storage systems that have been recognized as Deployments, from the company's inception through the measurement date.

**Gross Earning Assets** is calculated as Gross Earning Assets Contracted Period plus Gross Earning Assets Renewal Period.

**Gross Earning Assets Contracted Period** represents the present value of the remaining net cash flows (discounted at 6%) during the initial term of our Customer Agreements as of the measurement date. It is calculated as the present value of cash flows (discounted at 6%) that we would receive from Subscribers in future periods as set forth in Customer Agreements, after deducting expected operating and maintenance costs, equipment replacements costs, distributions to tax equity partners in consolidated joint venture partnership flip structures, and distributions to project equity investors. We include cash flows we expect to receive in future periods from tax equity partners, government incentive and rebate programs, contracted sales of solar renewable energy credits, and awarded net cash flows from grid service programs with utilities or grid operators.

**Gross Earning Assets Renewal Period** is the forecasted net present value we would receive upon or following the expiration of the initial Customer Agreement term but before the 30th anniversary of the system's activation (either in the form of cash payments during any applicable renewal period or a system purchase at the end of the initial term), for Subscribers as of the measurement date. We calculate the Gross Earning Assets Renewal Period amount at the expiration of the initial contract term assuming either a system purchase or a renewal, forecasting only a 30-year customer relationship (although the customer may renew for additional years, or purchase the system), at a contract rate equal to 90% of the customer's contractual rate in effect at the end of the initial contract term. After the initial contract term, our Customer Agreements typically automatically renew on an annual basis and the rate is initially set at up to a 10% discount to then-prevailing utility power prices.

**Net Earning Assets** represents Gross Earning Assets, plus total cash, less adjusted debt and less pass-through financing obligations, as of the same measurement date. Debt is adjusted to exclude a pro-rata share of non-recourse debt associated with funds with project equity structures along with debt associated with the company's ITC safe harboring facility. Because estimated cash distributions to our project equity partners are deducted from Gross Earning Assets, a proportional share of the corresponding project level non-recourse debt is deducted from Net Earning Assets, as such debt would be serviced from cash flows already excluded from Gross Earning Assets.

# Glossary (continued)

**Cash Generation** is calculated using the change in our unrestricted cash balance from our consolidated balance sheet, less net proceeds (or plus net repayments) from all recourse debt (inclusive of convertible debt), and less any primary equity issuances or net proceeds derived from employee stock award activity (or plus any stock buybacks or dividends paid to common stockholders) as presented on the Company's consolidated statement of cash flows. The Company expects to continue to raise tax equity and asset-level non-recourse debt to fund growth, and as such, these sources of cash are included in the definition of Cash Generation. Cash Generation also excludes long-term asset or business divestitures and equity investments in external non-consolidated businesses (or less dividends or distributions received in connection with such equity investments). Restricted cash in a reserve account with a balance equal to the amount outstanding of 2026 convertible notes is considered unrestricted cash for the purposes of calculating Cash Generation.

**Annual Recurring Revenue** represents revenue arising from Customer Agreements over the following twelve months for Subscribers that have met initial revenue recognition criteria as of the measurement date.

**Average Contract Life Remaining** represents the average number of years remaining in the initial term of Customer Agreements for Subscribers that have met revenue recognition criteria as of the measurement date.

**Households Served in Low-Income Multifamily Properties** represent the number of individual rental units served in low-income multi-family properties from shared solar energy systems deployed by Sunrun. Households are counted when the solar energy system has interconnected with the grid, which may differ from Deployment recognition criteria.

**Positive Environmental Impact from Customers** represents the estimated reduction in carbon emissions as a result of energy produced from our Networked Solar Energy Capacity over the trailing twelve months. The figure is presented in millions of metric tons of avoided carbon emissions and is calculated using the Environmental Protection Agency's AVERT tool. The figure is calculated using the most recent published tool from the EPA, using the current-year avoided emission factor for distributed resources on a state by state basis. The environmental impact is estimated based on the system, regardless of whether or not Sunrun continues to own the system or any associated renewable energy credits.

**Positive Expected Lifetime Environmental Impact from Customer Additions** represents the estimated reduction in carbon emissions over thirty years as a result of energy produced from solar energy systems that were recognized as Deployments in the period. The figure is presented in millions of metric tons of avoided carbon emissions and is calculated using the Environmental Protection Agency's AVERT tool. The figure is calculated using the most recent published tool from the EPA, using the current-year avoided emission factor for distributed resources on a state by state basis, leveraging our estimated production figures for such systems, which degrade over time, and is extrapolated for 30 years. The environmental impact is estimated based on the system, regardless of whether or not Sunrun continues to own the system or any associated renewable energy credits.

**Total Cash** represents the total of the restricted cash balance and unrestricted cash balance from our consolidated balance sheet.

A person in profile, wearing a dark blue shirt, is looking at a tablet device. The background is a bright, hazy sunset or sunrise over a body of water, with a city skyline visible in the distance. The lighting is warm and golden.

# Investor Relations

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