

SUNRUN



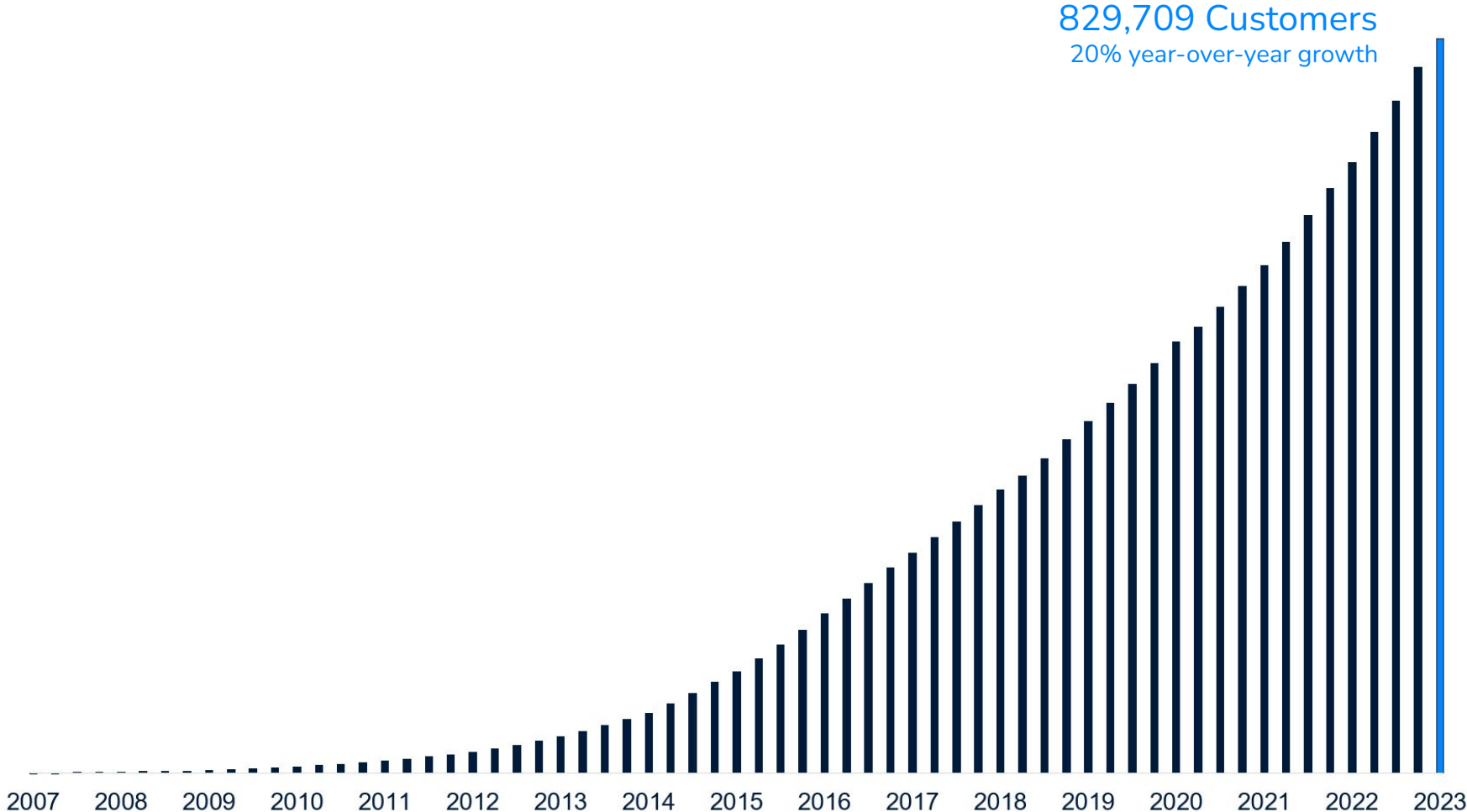
Q1 2023 Financial Results

May 3, 2023

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, and 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 its ESG efforts, expectations regarding market share, total addressable market, customer value proposition, market penetration, financing activities, financing capacity, product mix, and ability to manage cash flow and liquidity; the growth of the solar industry; the Company’s ability to derive value from the anticipated benefits of partnerships, new technologies, and pilot programs; anticipated demand, market acceptance, and market adoption of the Company’s offerings, including new products, services, and technologies; 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 and regulation on the solar industry and our business; the ongoing expectations regarding the Company’s storage and energy services businesses and anticipated emissions reductions due to utilization of the Company’s solar systems; anticipated or potential residual impacts of the COVID-19 pandemic; 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; the residual impacts of COVID-19 on the Company’s operations; 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.

Sunrun is Growing its Base of Customers



Customer counts through 3/31/2023. Customer figures give pro forma effect to our acquisition of Vivint Solar from 2012 to 2019 and includes Vivint Solar in 2020. 2007-2011 reflects legacy Sunrun standalone because Vivint Solar was founded in October 2011. See Appendix for glossary of terms and accompanying notes.

Building at >1 Gigawatt Scale in 2023

Distributed Rooftop Solar

Sunrun is adding >150,000 home solar systems a year

- Fast to build: months from sale to installation, not years
- Leverages the built environment, avoiding land-use issues and corresponding environmental impact concerns
- Generates power where it is consumed and thus inherently the most valuable
- Reduces the need to over-invest in bulky, expensive centralized transmission & distribution infrastructure
- Can be aggregated to form virtual power plants
- Provides price predictability to households
- Systems provide benefits to all users of the energy grid



“Utility Scale” Power Plants

~2 Natural Gas, 1 Nuclear or
~200+ Utility Scale Solar Power Plants

- 1 Gigawatt of “utility scale” solar power plants will require 5,000 to 10,000 acres of land
- Polluting (in the case of fossil fuel plants)
- Land-use issues, including adverse environmental impact considerations
- Significant permitting and development risk, along with “NIMBY” concerns
- Long-cycle times, typically multiple years
- Often requires expensive transmission and distribution system investments
- Single point of failure
- Single-project development risk



Sunrun is Building a Base of Customers with Recurring Revenue and Multi-Decade Relationships



32,413

CUSTOMER ADDITIONS IN Q1

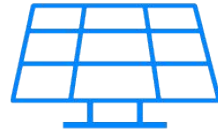
240 MEGAWATTS SOLAR ENERGY
CAPACITY INSTALLED IN Q1
+12% YEAR-OVER-YEAR

829,709

CUSTOMERS

+20% YEAR-OVER-YEAR

NETWORKED SOLAR ENERGY
CAPACITY OF 5,907 MEGAWATTS



\$44,055

SUBSCRIBER VALUE
IN Q1

\$32,055

CREATION COST
IN Q1

\$12,000

NET SUBSCRIBER VALUE
IN Q1



\$302 Million

TOTAL VALUE GENERATED
IN Q1

\$4 Billion

NET EARNING ASSETS
INCLUDING \$843 MILLION OF CASH
AS OF 3/31/2023

\$1.1 Billion

ANNUAL RECURRING REVENUE
FROM SUBSCRIBERS
AS OF 3/31/2023

17.6 Years

AVERAGE CONTRACT
LIFE REMAINING
AS OF 3/31/2023

Innovating & differentiating with offering to maximize customer value proposition in California

Sunrun Shift™ launched in April to address savings-focused customers under California IOUs' new Net Billing Tariff (NBT), the successor to NEM 2.0:

- Sunrun Shift™ incorporates storage to optimize the economics of energy produced by the solar system. It does this by charging up the shift device with daytime solar production, rather than exporting at low-value rates, and by enabling self-consumption in the evening during peak utility rates. This system is easier, quicker, and lower-cost to install than a system that provides backup power capabilities.
- Sunrun is positioned better than many in the industry given advanced installation capabilities and knowledge to install solar and storage systems.

Strong Customer Value Proposition Across California:

- Sunrun expects strong Net Subscriber Values while still providing a strong savings proposition for most customers, while also providing predictably-priced energy:
 - **Northern California:** year 1 savings estimated to be ~10-20% or greater with no upfront cost¹
 - **Southern California:** year 1 savings estimated to be ~10-30% or greater with no upfront cost¹
- Further hardware cost declines, utility rate increases, realized operating efficiencies, and participation in future virtual power plant opportunities can increase Sunrun's margin opportunity and enhance the customer value proposition further.

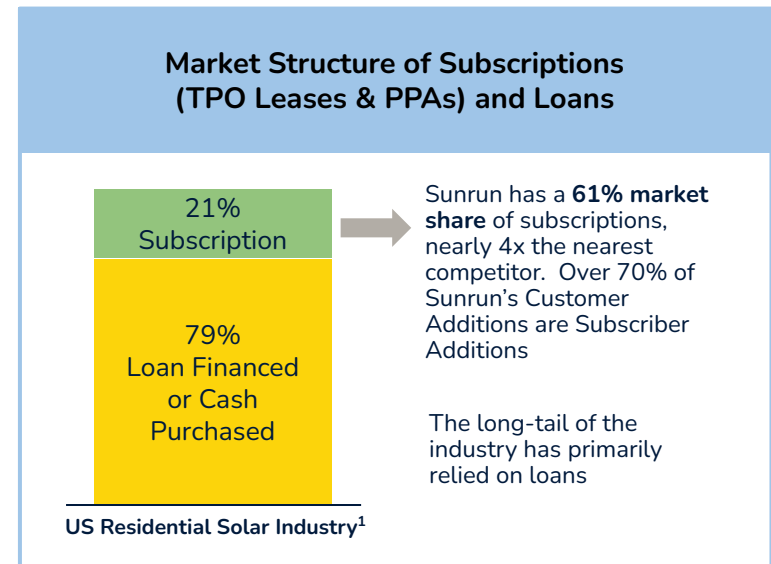
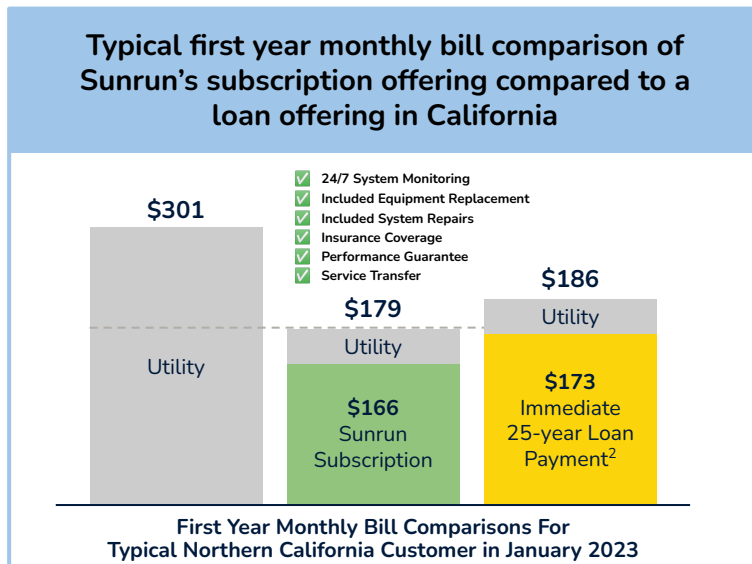
Encouraging early market traction:

- As expected, immediately following the transition in early April we saw a decline in new sales activities. Part of this was driven by the sales teams spending more of their time advancing a larger than normal pipeline created from the policy change, while simultaneously refining the explanation of the new Shift offering.
- We have seen a strong rebound in sales activities, increasing 25% week-on-week, and already back to approximately two-thirds of the level from a year ago, and we expect the rebound to continue.

(1) Savings will vary based on site characteristics, system size, energy consumption and other factors; savings presented assumes no upfront cost to the consumer, maintenance and service included, performance guarantees and a typical 3.5% contract escalation rate, providing price certainty for customers. Ranges are approximate saving estimates for most customers in the region.

Positioned for market share gains given strength of subscription offering

- Sunrun's subscription model is advantaged vs. loans in many markets as loan costs have come under pressure due to deteriorating prepayment speeds in a higher mortgage rate environment. Loans are typically structured in non-escalating payments, pressuring upfront savings and resulting in a more complicated consumer sales message. Sunrun subscribers also benefit from included maintenance, inverter & battery replacements, monitoring and production performance guarantees which are not included with most loan-financed systems.
- Consumer-led shift to more sophisticated and complex storage systems, along with virtual power plant programs, is best served with the subscription model.
- Sunrun is a leader today with approximately 61% market share in the subscription model. Approximately 79% of industry volumes are financed with loans or customer-purchased systems.¹
- ITC adders, only available to homeowners with the subscription model, will further support market share shift over time as they effectively provide for 40%-70% ITC levels for segments of the market.

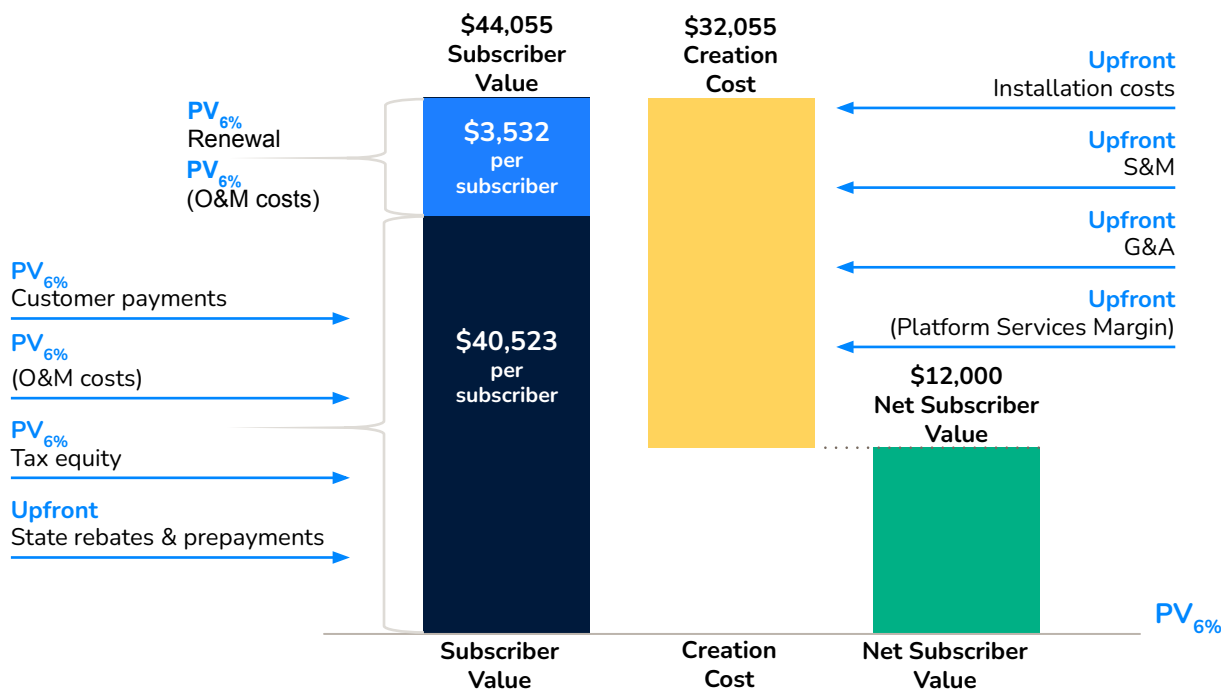


(1) Figures reflect 2021 industry Subscription/Loan+Cash mix estimates and 1H2022 Subscription market shares from Wood Mackenzie's U.S. Residential Solar Finance Update H2 2022 published October 2022.

(2) Comparisons represent Sunrun subscription offering with channel partners in northern California for typical customer offsetting 100% of usage, 2.9% escalator in January 2023. Loan comparison represents a competitive loan offering in market by top 10 installer with 25-year term in January 2023.

Total Value Generated of \$302 million in Q1

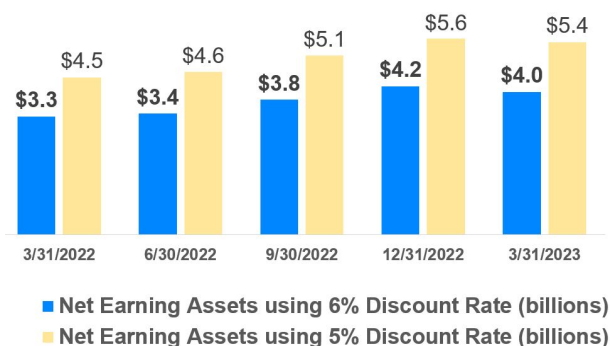
25,154 Subscriber Additions with Net Subscriber Value of \$12,000 resulting in Total Value Generated of \$302 million in Q1



Q1 average subscriber system size was 7.5 KWs.

- Commencing with Q1 2023 reporting the discount rate assumption used to calculate Subscriber Value (and therefore Net Subscriber Value), along with Gross Earning Assets, was updated from 5% to 6%.
- Pro-forma using a 5% discount rate, Q1 Subscriber Value would have been \$3,761 higher at \$47,816 resulting in a Net Subscriber Value of \$15,761.

Net Earning Assets at \$4 Billion



- We have \$11.6 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 and pass-through obligations represents \$4 billion in present value, which we call Net Earning Assets. Net Earning Assets includes both recourse and non-recourse debt and total cash.
- To reflect the higher cost of capital environment, commencing with 1Q23 reporting Sunrun updated the discount rate assumption used to calculate Gross Earning Assets from 5% to 6%.

(\$ in millions)	1Q22	2Q22	3Q22	4Q22	1Q23
<i>Discount Rate used to calculate Gross Earning Assets</i>	5%	5%	5%	5%	6%
Gross Earning Assets Contracted Period	\$7,040	\$7,527	\$8,160	\$8,879	\$8,584
Gross Earning Assets Renewal Period	\$3,116	\$3,236	\$3,359	\$3,547	\$2,970
Gross Earning Assets	\$10,155	\$10,763	\$11,518	\$12,426	\$11,553
(-) Recourse Debt & Convertible Senior Notes	(\$861)	(\$943)	(\$898)	(\$898)	(\$946)
(-) Non-Recourse Debt	(\$6,278)	(\$6,660)	(\$7,087)	(\$7,501)	(\$7,981)
(-) Pass-through financing obligation	(\$319)	(\$316)	(\$308)	(\$306)	(\$303)
(+) Pro-forma debt adj. for safe harboring facility	\$1	\$0	\$0	\$0	\$0
(+) Pro-forma debt adj. for debt within project equity funds ⁽¹⁾	\$893	\$892	\$883	\$877	\$868
(+) Total cash	\$863	\$863	\$956	\$953	\$843
Net Earning Assets, as reported	\$4,454	\$4,599	\$5,064	\$5,551	\$4,035
<i>Pro-forma adjustment reflecting 6% discount rate</i>	<i>(\$1,107)</i>	<i>(\$1,173)</i>	<i>(\$1,249)</i>	<i>(\$1,355)</i>	<i>na</i>
Net Earning Assets, pro-forma using 6% discount rate	\$3,347	\$3,426	\$3,815	\$4,196	\$4,035

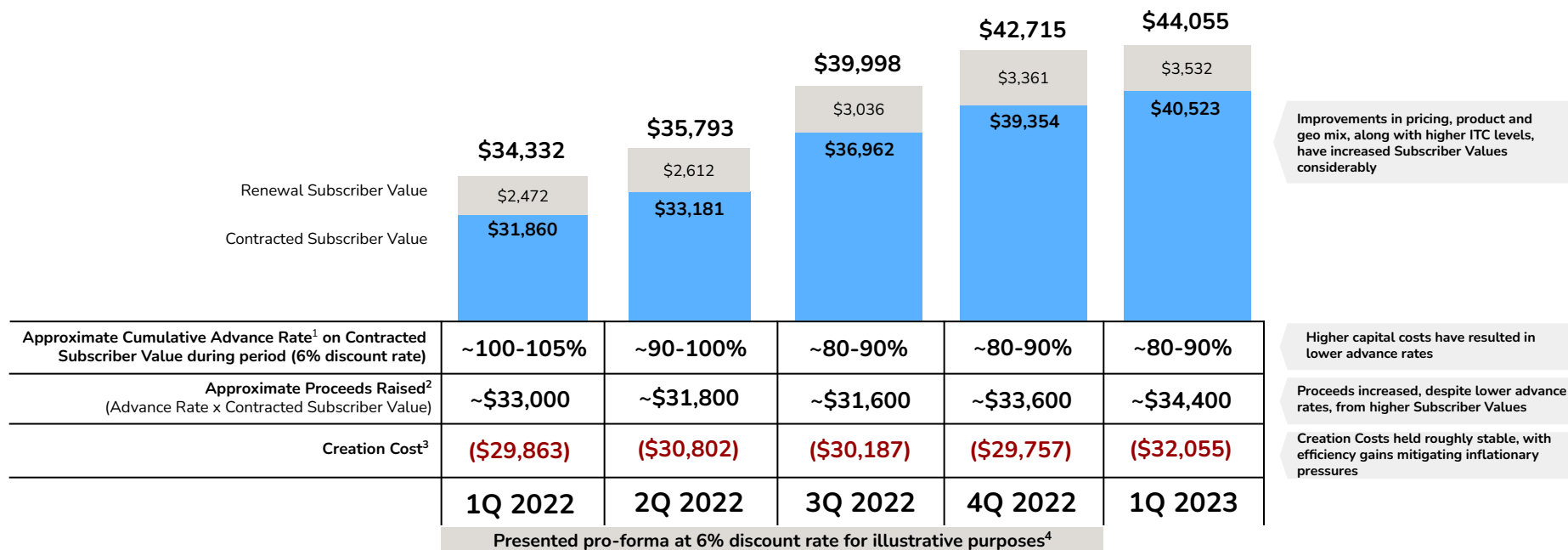
(1) Because estimated cash distributions to our project equity partners are deducted from Gross Earning Assets, a proportional share of the corresponding project level non-recourse debt is deducted from Net Earning Assets, as such debt would be serviced from cash flows already excluded from Gross Earning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

Adapting to a higher interest rate environment

- Sunrun has increased pricing and adjusted go-to-market approaches multiple times throughout 2022 and into 2023 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 since the beginning of 2022, offset principally by price increases and the higher 30% Investment Tax Credit. Current advance rates are estimated to be approximately 80% to 90% as measured against Contracted Subscriber Value calculated using a 6% discount rate.
- Each 1% change in cost of capital results in approximately 4% change in cumulative advance rate.

Subscriber Values

Periods prior to 1Q 2023 are presented pro-forma with a 6% discount rate for illustrative purposes in this table



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.

(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).

(4) Periods prior to Q1 2023 have been reported using a 5% discount rate and this table does not constitute a restatement of these metrics.

Significant potential upside from ITC adders

- Preliminary guidance from Department of Treasury has been obtained for the Energy Communities and Low-income ITC adders, while the guidance on what will qualify for the Domestic Content adder is still pending. Each adder could represent an incremental 10% ITC or >\$3k 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, where Sunrun has >60% market share, as opposed to customer-purchased and loan-financed systems which are not eligible.
- Impact of adders is currently not included in our guidance and margin outlook, but impact to Net Subscriber Value & cash generation could be significant on a go-forward basis.
- Direct-to-home sales is well situated to capitalize on this opportunity through geo-targeting for eligible areas.
- Value realization will be shared amongst Sunrun along with customers in the form of enhanced value, TAM expansion opportunities, and market competitive factors such as impacts on the cost of customer acquisition.

Energy Communities
10% Additional ITC

Preliminary Guidance Obtained
Mid-single digit percentage to mid-20% of current footprint likely eligible

Potential
~\$20 to \$100+ million
annual run rate value

Low-Income
10% Additional ITC
(or 20% for Multifamily Housing)

Preliminary Guidance Obtained
~1/3 of current footprint likely eligible for 10% Adder, but subject to delayed quota-allocation process

Potential
~\$0 to \$150+ million
annual run rate value

Domestic Content
10% Additional ITC

No Guidance Issued Yet
0% to >50% of Subscription mix possible; discussions active with domestic manufacturers

Potential
~\$0 to \$200+ million
annual run rate value

Outlook

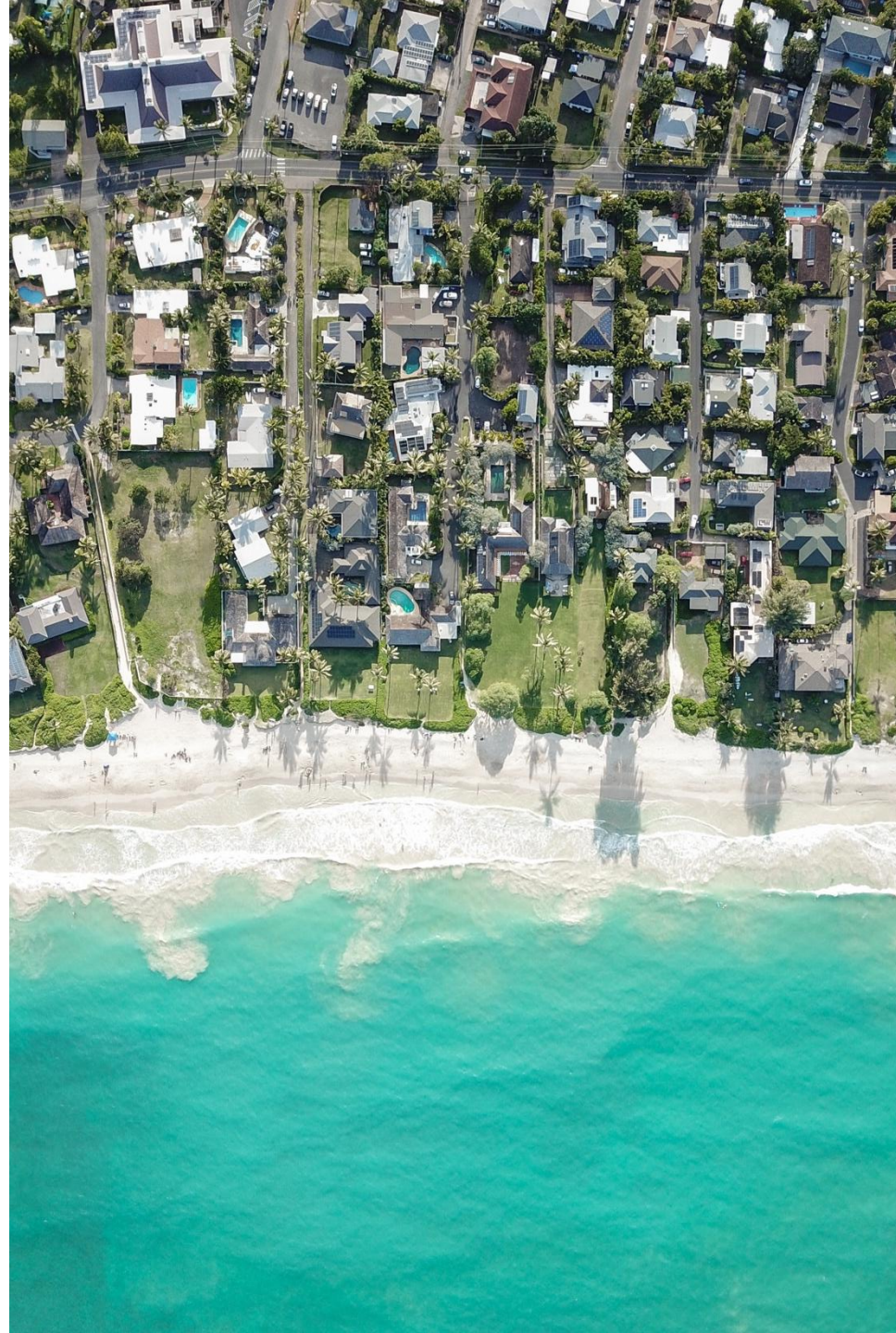
Management's focus is on leading the market through sustainable and profitable growth, prioritizing unit cash generation capabilities, while prudently managing working capital needs.

REITERATING GROWTH IN SOLAR ENERGY CAPACITY INSTALLED IN A RANGE OF 10% TO 15% FOR THE FULL YEAR 2023.

Management currently sees more upside opportunity than downside risk to achieving growth in this range and anticipates considerable market share gains in 2023.

SOLAR ENERGY CAPACITY INSTALLED EXPECTED TO BE IN A RANGE OF 270 TO 290 MW IN Q2.

NET SUBSCRIBER VALUE IS EXPECTED TO INCREASE SEQUENTIALLY IN Q2, AND TO BE MATERIALLY HIGHER IN THE SECOND HALF OF 2023 COMPARED TO THE FIRST HALF.



Appendix



Metric Sensitivity Tables

Gross Earning Assets Contracted Period

\$ in millions, as of March 31, 2023

<u>Default rate</u>	Discount rate				
	4%	5%	6%	7%	8%
5%	\$ 9,939	\$ 9,086	\$ 8,343	\$ 7,694	\$ 7,124
0%	\$ 10,241	\$ 9,355	\$ 8,584	\$ 7,910	\$ 7,318

Gross Earning Assets Renewal Period

\$ in millions, as of March 31, 2023

<u>Purchase or Renewal rate</u>	Discount rate				
	4%	5%	6%	7%	8%
80%	\$ 3,815	\$ 3,129	\$ 2,577	\$ 2,130	\$ 1,767
90%	\$ 4,395	\$ 3,606	\$ 2,970	\$ 2,455	\$ 2,038
100%	\$ 4,975	\$ 4,083	\$ 3,363	\$ 2,781	\$ 2,308

Gross Earning Assets

\$ in millions, as of March 31, 2023

<u>Purchase or Renewal rate</u>	Discount rate				
	4%	5%	6%	7%	8%
80%	\$ 14,056	\$ 12,484	\$ 11,160	\$ 10,039	\$ 9,085
90%	\$ 14,636	\$ 12,961	\$ 11,553	\$ 10,365	\$ 9,356
100%	\$ 15,216	\$ 13,437	\$ 11,947	\$ 10,691	\$ 9,626

Net Earning Assets

\$ in millions, as of March 31, 2023

	Gross Earning Assets Discount rate				
	4%	5%	6%	7%	8%
Net Earning Assets	\$ 7,117	\$ 5,442	\$ 4,035	\$ 2,846	\$ 1,837
Contracted Net Earning Assets (excl. renewal)	\$ 2,722	\$ 1,836	\$ 1,065	\$ 391	\$ (201)

Subscriber Value

\$ per Subscriber, for Subscriber Additions in 1Q 2023

	Discount rate		
	5%	6%	7%
Subscriber Value Contracted Period	\$ 43,287	\$ 40,523	\$ 38,199
Subscriber Value Renewal Period	\$ 4,529	\$ 3,532	\$ 2,726
Total Subscriber Value	\$ 47,816	\$ 44,055	\$ 40,925

GAAP Income Statement

Consolidated GAAP Income Statement (\$ in millions)	FY2019	FY2020	FY2021	FY2022	1Q2023
Revenue:					
Customer agreements	\$ 345	\$ 433	\$ 725	\$ 872	\$ 225
Incentives	42	52	101	111	21
Customer agreements and incentives	388	484	827	983	246
Solar energy systems	283	270	471	914	229
Products	187	168	312	424	114
Solar energy systems and product sales	471	438	783	1,338	343
Total revenue	859	922	1,610	2,321	590
Operating expenses:					
Cost of customer agreements and incentives	280	386	699	844	237
Cost of solar energy systems and product sales	365	358	666	1,179	320
Sales and marketing	275	352	623	745	203
Research and development	24	20	23	21	5
General and administrative	125	267	259	189	52
Amortization of intangible assets	5	5	5	5	1
Total operating expenses	1,074	1,387	2,276	2,984	818
Loss from operations	(216)	(465)	(666)	(662)	(228)
Interest expense, net	174	231	328	446	143
Other expenses (income), net	9	(8)	(23)	(261)	25
Loss before income taxes	(399)	(688)	(971)	(847)	(395)
Income tax (benefit) expense	(8)	(61)	9	2	(60)
Net loss	(391)	(627)	(981)	(850)	(336)
Net loss attributable to NCI and non redeemable NCI	(417)	(454)	(901)	(1,023)	(95)
Net income (loss) attributable to common stockholders	26	(173)	(79)	173	(240)
EPS, diluted	\$ 0.21	\$ (1.24)	\$ (0.39)	\$ 0.80	\$ (1.12)
Wt avg basic shares	116	140	205	211	215
Wt avg diluted shares	124	140	205	219	215

Customer Agreements and Incentives 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 (~\$451m total depreciation & amortization in 2022). 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.

GAAP Balance Sheet

Consolidated GAAP Balance Sheet (\$ in millions)	FY2019	FY2020	FY2021	FY2022	1Q2023
Cash	\$ 270	\$ 520	\$ 618	\$ 741	\$ 629
Restricted cash (current and long term)	94	188	233	213	215
Accounts receivable	78	95	146	214	219
Inventories	261	283	507	784	888
Prepaid expenses and other current assets	32	51	45	147	135
Solar energy systems, net	4,493	8,203	9,460	10,988	11,369
Property and equipment, net	57	62	57	67	75
Intangible assets, net	20	18	13	8	6
Goodwill	95	4,280	4,280	4,280	4,280
Other assets	408	682	1,126	1,828	1,914
Total assets	5,806	14,383	16,483	19,269	19,728
Accounts payable, accrued expenses and other liabilities	372	533	652	746	727
Other current liabilities	16	29	32	32	31
Deferred revenue (current and long-term)	729	799	874	1,096	1,098
Deferred grants (current and long-term)	227	222	215	209	207
Finance lease obligation (current and long-term)	23	24	22	29	34
Non-recourse debt (current and long-term)	2,015	4,565	5,901	7,501	7,981
Recourse debt & convertible notes (current and long-term)	239	231	602	898	946
Pass-through financing obligation (current and long-term)	339	340	321	306	303
Other liabilities	141	269	190	140	170
Deferred tax liabilities	66	82	102	133	63
Total liabilities	4,168	7,094	8,911	11,090	11,561
Redeemable noncontrolling interests in subsidiaries	307	560	595	610	605
Stockholders' equity	965	6,078	6,255	6,708	6,468
Noncontrolling interests in subsidiaries	367	651	723	861	1,095
Total liabilities and shareholders' equity	5,806	14,383	16,483	19,269	19,728

Deferred revenue is primarily Customer Prepayments which are recognized over the life of the contract, typically 20 or 25 years (\$819.3 million balance of Payments Received Under Customer Agreements at the end of 2022).

\$8 billion of our debt is non-recourse project debt and solely secured by the solar assets.

\$303 million of pass-through financing obligations represent obligations to investors who receive the Investment Tax Credit (ITC) and a portion of cash flows from funds predominantly under an inverted lease structure.

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, FY2019 FY2020 FY2021 FY2022 1Q2023)					
<i>Operating Activities:</i>					
Net loss	\$ (391)	\$ (627)	\$ (981)	\$ (850)	\$ (336)
Depreciation and amortization, net of amortization of deferred	187	243	388	451	123
Deferred income taxes	(8)	(61)	10	2	(60)
Stock-based compensation expense	26	171	211	111	28
Bonus liability covered to RSUs	-	-	-	-	-
Interest on pass-through financing obligations	24	23	21	20	5
Reduction in pass-through financing obligations	(39)	(39)	(42)	(41)	(10)
Other noncash losses and expenses	26	51	61	54	27
Changes in operating assets and liabilities	(30)	(79)	(485)	(411)	(249)
Net cash provided by (used in) operating activities	(204)	(318)	(817)	(849)	(439)
<i>Investing activities:</i>					
Payments for the costs of solar energy systems	(815)	(967)	(1,678)	(1,993)	506
Acquisitions of businesses, net of cash acquired	(3)	537	-	-	-
Purchases of Equity Method	-	(65)	-	(75)	-
Purchases of property and equipment	(25)	(3)	(9)	(18)	(4)
Net cash used in investing activities	(843)	(498)	(1,686)	(2,086)	(510)
<i>Financing activities:</i>					
Proceeds from grants and state tax credits	2	6	-	-	4
Proceeds from recourse debt	185	183	1,110	1,165	143
Repayment of recourse debt	(193)	(192)	(758)	(871)	(96)
Proceeds from non-recourse debt	1,182	751	2,187	3,429	515
Repayment of non-recourse debt	(671)	(399)	(856)	(1,799)	(51)
Payment of debt fees	(29)	(14)	(54)	(63)	(1)
Proceeds from pass-through and other financing obligations	9	9	10	4	2
Repayment of pass-through financing and other obligations	(8)	-	(18)	-	-
Payment of finance lease obligations	(14)	(11)	(12)	(14)	(4)
Contributions received from NCI and redeemable NCI	712	818	1,239	1,415	398
Distributions paid to NCI and redeemable NCI	(77)	(111)	(196)	(218)	(64)
Acquisition of non-controlling interests	(5)	(3)	(42)	(43)	(7)
Proceeds from exercises of stock options	16	49	36	33	1
Repurchase of common stock	(5)	-	-	-	-
Proceeds from shares issued in connection with a subscriptic	-	75	-	-	-
Net cash provided by financing activities	1,107	1,161	2,646	3,037	840

Cash Flow From Operations is negative as 25-30% of our Creation Costs are expensed in the period, while revenue is recognized over 80 periods 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

Proceeds from pass-through and other financing obligations primarily represents Tax Equity investors in inverted lease structures, where the investor receives the Investment Tax Credit (ITC), certain depreciation attributes, and a share of cash flows.

Proceeds 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 which receive a share of cash flows from the funds. In 2022, proceeds from NCI and proceeds from pass-through and other financial obligations averaged ~\$1.98 per watt.

Glossary

Deployments represent solar energy systems, whether sold directly to customers or subject to executed Customer Agreements (i) for which we have confirmation that the systems are installed on the roof, subject to final inspection, (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), or (iii) for multi-family and any other systems that have reached our internal milestone signaling construction can commence following design completion, measured on the percentage of the system that has been completed based on expected system cost.

Customer Agreements refer to, collectively, solar power purchase agreements and solar 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.

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.

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 state 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.

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.

SUNRUN



Sunrun Investor Relations

investors.sunrun.com

415-373-5206

investors@sunrun.com