



**Q4 2023 Earnings Call
February 21, 2024
Prepared Remarks**

OPERATOR INSTRUCTIONS

Good afternoon and welcome to Sunrun's fourth quarter and full year 2023 earnings conference call. All participants have been placed on mute. Please note that this call is being recorded and that one hour has been allocated for the call, including the Q&A session. To join the Q&A session after prepared remarks, please press star 1 at any time. We ask participants to limit themselves to one question and one follow-up question. I will now turn the call over to Patrick Jobin, Sunrun's Senior Vice President, Investor Relations. Please go ahead.

PATRICK JOBIN

Thank you operator.

Before we begin, please note that certain remarks we will make on this call constitute forward-looking statements. Although we believe these statements reflect our best judgment based on factors currently known to us, actual results may differ materially and adversely. Please refer to the Company's filings with the SEC for a more inclusive discussion of risks and other factors that may cause our actual results to differ from projections made in any forward-looking statements. Please also note these statements are being made as of today, and we disclaim any obligation to update or revise them.

During today's call, we will also be discussing certain non-GAAP financial measures, which we believe can provide meaningful supplemental information for investors regarding the performance of our business and facilitate a meaningful evaluation of current period performance on a comparable basis with prior periods. These non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, superior to, or in isolation from GAAP results. You will find additional disclosures regarding the non-GAAP financial measures discussed on today's call in our press release issued this afternoon and our filings with the SEC, each of which is posted on our website.

On the call today are Mary Powell, Sunrun's CEO and Danny Abajian, Sunrun's CFO. Ed Fenster, Sunrun's co-founder and co-executive chair, along with Paul Dickson, Sunrun's Chief Revenue Officer are also on the call for the Q&A session.

A presentation is available on Sunrun's investor relations website, along with supplemental materials. An audio replay of today's call, along with a copy of today's prepared remarks and transcript including Q&A will be posted to Sunrun's investor relations website shortly after the call. We have allocated 60 minutes for today's call, including the question and answer session.

And now let me turn the call over to Mary.

MARY POWELL

Thank you, Patrick.

And thank you all for joining us on our call. We have lots of exciting things to talk about today.

First, our team delivered on our storage first and margin focused strategy in 2023.

In the fourth quarter we far exceeded our Storage Capacity Installation guidance and landed in our guidance range on installed solar capacity. This transition to higher-value subscription offerings resulted in significant increases to our Subscriber Values, up 7% from Q3 and 18% year over year, and in combination with continued cost discipline, Net Subscriber Values also exceeded our guidance. We generated \$11 million in cash in the quarter and grew Net Earning Assets to over \$5 billion. We now operate a fleet of more than 1.3 gigawatt hours of storage capacity and near 7 gigawatts of solar capacity, with over 933,000



customers. We remain focused on driving meaningful Cash Generation in the business and are reiterating our strong Cash Generation outlook for the year.

The fundamental demand drivers of our business continue to be robust. First, utility rates continue to rise, due to the stress and strain of climatic events on the grid and the massive utility capital expenditures. Second, solar and storage equipment costs are declining, while our install labor productivity continues to improve. Third, capital costs have stabilized and could decline. Finally, customers remain eager for clean, affordable and resilient energy to power their lives.

We are extending our differentiation by making clean, affordable and reliable energy accessible to families across America with the most pro-consumer offerings, and delivering the best customer experience and service in the industry. Being the chosen, trusted provider to deliver this clean energy future is critical. As a testament to our customer-first approach, our customer Net Promoter Scores at the time of installation continued to increase, reaching 73 points in Q4.

Demand & Storage Outlook

I am pleased to report that our volume trend is strong. Q1 sales are growing 23% compared to Q4, led by California, where sales are growing at over 40% sequentially. We believe this sales growth will flow through to installations over the coming quarter, leading to a sharp uptick in Q2.

Q1 is seasonally a low installation quarter and typically declines from Q4. Results in Q1 will be influenced by the slower than expected recovery in CA last year and our strategic decision to exit certain unprofitable markets, as we discussed on the last call.

Most important, we continue to increase the mix of storage. We installed 220 megawatt hours of storage capacity in Q4, growing 154% compared to the prior year and 25% from the prior quarter. Our storage offerings provide customers enhanced value and generate significantly higher margins for Sunrun. At the same time, they are the foundation for future monetization by providing at-scale distributed power plant capabilities. Our storage attachment rate was over 45% of installations across the country in the fourth quarter – up from 33% last quarter and 15% at the beginning of the year, and this number continues to rise with new sales.

We remain disciplined in how we participate through the affiliate channel. We value our partners that are focused on customer experience and that value our brand, platform, storage-first product suite and sustainable pricing model. There are pockets of irrational behavior in the Affiliate Partner segment of the market with several financing-only participants scaling with pricing that we consider unattractive. Our decision not to compete for such business can influence short-term affiliate channel volumes. We've seen this behavior several times in the company's nearly two-decade history and won't chase volumes at economics that we do not view as sustainable. We believe our diversified market approach, which includes an integrated sales force and fulfillment capacity, provides insulation from these behaviors from financing-only firms and is a strategic benefit to Sunrun.

Launching Lowe's Partnership

I am excited to announce today that we have selected Lowe's as our home improvement retail partner. Lowe's presents a new and exciting partner, one that has a great homeowner-focused model that overlaps with our target markets and geographies. With many years of experience reaching customers through retail activities, we thoughtfully evaluate opportunities and are excited about our Lowe's partnership. We launched in Lowe's on February 16th, transitioning our sales staff out of Home Depot the prior day. We are incredibly encouraged by the results so far.

Renewal Pilot

Over the last few months we advanced several strategic priorities, including launching an early renewal pilot and commencing storage retrofit installations for existing customers. I believe one of Sunrun's most underappreciated assets is the base of customers that we will serve for decades and the numerous opportunities we have to provide valuable products and services beyond our initial subscription agreement.



As the trusted company who has built strong relationships with customers from the initial sales consultation, to the installation and ongoing service, we are in an enviable position to be able to offer and realize value from additional products and services at many touch points throughout the customer lifecycle.

Our early renewal pilot highlights most customers are interested in extending the length of their subscription agreements even well before they expire. While the pilot only targets several hundred customers, thus far approximately *three quarters* are eager to renew their contracts for 5 years at their current pricing and agreement terms, or are in the process of evaluating proposals. Nearly all of those that have renewed did so an average of 5 years before the end of their initial contract -- to lock in the peace of mind and energy savings provided by their current subscription service.

Only about one quarter of customers opted not to renew early at our first attempt of presenting the offer. However, about half of these customers have expressed interest to buy the system outright, explore upsizing their systems with Sunrun with new equipment, or expressed that they might be moving. All of these scenarios provide incremental margin opportunities for Sunrun.

Customers are also eager for our battery retrofit offering. While it's still early days and only available in select markets, orders have been growing rapidly and customer interest is high.

Sunrun is uniquely positioned to see significantly better total lifetime customer value realization than financing-only providers who do not develop the strong relationships we do with customers through the sale and installation and the ongoing service we provide.

While we are only targeting several hundred customers, we are pursuing the pilot to optimize sales strategies, systems and processes to tackle these opportunities at scale in the years ahead.

Conclusion

Shifting gears.

I want to highlight our thoughtful and disciplined approach to funding Sunrun's growth and generating value for our investors before Danny covers it in more detail.

We ended 2023 with more total cash than recourse debt, and we generated cash in both Q3 and Q4.

During Q1 we executed numerous capital transactions that are aligned with our disciplined capital strategy and approach.

First, we expanded our \$1.8 billion non-recourse senior warehouse facility by \$550 million to \$2.35 billion and extended the maturity date by approximately three years from 2025 to 2028.

Second, we extended the maturity of our recourse working capital facility, from January 2025 to November 2025, with a provision to extend the maturity further to 2027, subject to meeting certain conditions. The terms of the extended facility are consistent with our objective to generate cash, extend maturities at a time some of our competitors are at risk, reduce recourse leverage, and optimize our cost of capital, all to drive increased shareholder value.

Third, we continued to execute tax equity funds and term-out financings with strong terms, recently closing an approximately \$470 million term out transaction. We are proactively and prudently managing our parent debt profile and funding to support growth and drive shareholder value. I am so appreciative of our finance team at Sunrun and our financial partners who share a vision to make clean energy affordable and accessible to all.

Celebrate our people

Before handing the call over to Danny, I want to take a moment to celebrate our people, the heart and soul of this customer-led revolution in energy. First thank you to our team in Bakersfield, California, who were



our top ranked install crew based on safety, storage attachment rates and customer experience this quarter. Thank you all for your contributions and leadership at Sunrun.

Second, a big shout out to our friends at Bright Panel Solar, our top sales dealer in Puerto Rico. We are so thankful for your partnership over the years and look forward to many more to come.

With that, let me turn the call over to Danny for our financial update.

DANNY ABAJIAN

Thank you, Mary.

Today I will cover our operating and financial performance in the quarter along with an update on our capital markets activities and outlook. Our team is delivering strong volumes, leading with storage, and financing our growth in an efficient and appropriate way.

Turning first to the results for the quarter on slide 11.

Volumes

We have now installed over 90,000 solar and storage systems. We expect storage installations will grow substantially in the quarters ahead. Recent sales of storage-attached systems have been approximately 48% nationally, which should continue to drive installed attachment rates higher in future periods. Our backup storage offerings carry higher margins, typically by several thousand dollars per customer.

During the quarter, we installed 220 megawatt hours of storage capacity, significantly topping the high-end of our guidance and reflecting an increase of 154% from the same quarter last year, bringing total networked storage capacity to over 1.3 gigawatt hours.

In the fourth quarter, Solar Energy Capacity Installed was approximately 227 megawatts and within our guidance range of 220 to 245 megawatts. Customer Additions were approximately 30,000, including approximately 27,000 Subscriber Additions. Our Subscription mix represented 92% of our deployments in the period, an increase from 89% last quarter and the highest level in many years.

We ended 2023 with approximately 933,000 Customers and 781,000 Subscribers, representing 6.7 Gigawatts of Networked Solar Energy Capacity, an 18% increase year-over-year. Our Subscribers generate significant, recurring revenue, with most under 20- or 25-year contracts for the clean energy we provide. At the end of Q4, our Annual Recurring Revenue, or ARR, stood at over \$1.3 billion, up 28% over the same period last year. We had an average contract life remaining of nearly 18 years.

Subscriber Value, Creation Cost, Net Subscriber Value & Total Value Generated

Turning to slide 12.

In Q4, Subscriber Value was approximately \$50,300 and Creation Cost was approximately \$36,900, delivering a Net Subscriber Value of \$13,445. Our Q4 Subscriber Value and Net Subscriber Value now reflect a blended 33.8% Investment Tax Credit, benefiting from the energy communities ITC adder and a portion of the systems eligible for the low-income adder.

Total Value Generated, which is the Net Subscriber Value multiplied by the number of Subscriber Additions in the period, was \$363 million in the fourth quarter.

Our present value-based metrics are presented using a 6% discount rate, but our financial underwriting already accounts for our current cost of capital, which is in the 7.5% area. As a reminder, to enable ease of comparison across periods, we generally do not update the discount rate frequently. Instead, we provide advance rate ranges that reflect current interest rates, enabling investors to calculate the obtainable net



cash unit margins on our deployments. In addition, we provide a pro forma Net Subscriber Value using the capital cost observed for the quarter.

At a 7.5% discount rate, Net Subscriber Value was \$8,447 and Total Value Generated was \$228 million.

We expect additional tailwinds to Net Subscriber Value in future periods from the following variety of factors: sequential growth in volume, higher storage attachment rates, increased realization of ITC adders, and lower costs from hardware price reductions, labor efficiency and operating leverage from volume growth.

On slide 13, we detail the tailwinds from ITC adders and hardware costs.

During the fourth quarter, we continued to recognize cash proceeds for the energy communities adder, while proceeds from the awarded low-income adders are still pending final government approval on each application, which we would expect in late Q1 or Q2. Proceeds from domestic content adders are expected to be realized in the coming quarters. Guidance on what will qualify for the domestic content adder has been issued, however we are still awaiting additional rulemaking processes sometime this year. Combined, these three adders represent up to \$450 million or more in additional annual run-rate cash proceeds.

We continue to see decreasing prices for key hardware components, which are gradually flowing through our reported costs as we finish consuming our higher-cost inventory. On a like-for-like basis for a 7.5 kilowatt solar with backup battery system, by the end of this year, hardware costs are expected to decline by over 18%, or nearly \$2,500 per system, from their peak in the second quarter of 2023. These beneficial trends may be obscured by an increasing mix of storage, which carries higher net margins, but will increase hardware and install costs and therefore impact Creation Costs.

Turning to slide 14.

We have presented a pro forma Net Subscriber Value to show the potential impacts to unit margins from the forthcoming ITC adders, if fully realized, along with the hardware cost tailwinds we expect in the coming quarters. Based on our mix of business in Q4, pro-forma Net Subscriber Value with these benefits was approximately \$15,300 at a 6% discount rate, and \$10,300 at a 7.5% discount rate.

Gross and Net Earning Assets, Cash Balance

Turning now to Gross and Net Earning Assets and our balance sheet on slide 16.

Gross Earning Assets were \$14.2 billion at the end of the fourth quarter. Gross Earning Assets is the measure of cash flows we expect to receive from Subscribers over time, net of operating and maintenance costs, distributions to tax equity partners in partnership flip structures, and distributions to project equity financing partners, all discounted at a 6% unlevered capital cost.

Net Earnings Assets were \$5 billion at the end of the fourth quarter. Net Earning Assets is Gross Earning Assets, plus cash, less all debt. Net Earning Assets increased by \$466 million this quarter. Net Earning Assets does not include inventory, or other construction in progress assets or net derivative assets related to our interest rate swaps, all of which represent additional value. The value creation upside we expect from future grid service opportunities and selling additional electrification products and services to our customer base, including our storage retrofit offering, are not reflected in these metrics.

We programmatically enter into interest rate hedges to insulate our capital costs from adverse near-term fluctuations. The vast majority of our debt is either fixed-coupon long-dated securities, or floating-rate loans that have been hedged with interest rate swaps. As such, we do not adjust the discount rate used in Net Earning Assets to match current capital costs for new installations.

We ended the quarter with \$988 million in total cash, an increase of \$36 million compared to the prior quarter.

Capital Markets & Capital Runway

Turning to our capital market activities.



We have been incredibly active over the last few months arranging capital to support our growth and further optimize our balance sheet in ways we believe can drive considerable long-term shareholder value.

We have successfully extended and upsized our non-recourse revolving senior warehouse facility to support our scale. This facility finances assets temporarily before we raise term out financing, principally in the asset-backed securitization market. We increased the size by \$550 million, from \$1.8 billion to \$2.35 billion, and extended the maturity by approximately 3 years from April 2025 to February 2028. The effective credit spread increase of 50 basis points was commensurate with recent movement in the securitization market for term out transactions with similar advance rates. The facility continues to have a diversified set of nine relationship lenders. We also achieved certain other improved terms that afford more flexibility to fund our anticipated future product and geographic mix.

Our team also continues to execute tax equity transactions, including structures that facilitate ITC transfers to a deepening pool of large buyers. The traditional tax equity market has been tighter recently, which we believe is owing to the calendar year tax planning exercises that our partners undertake, along with the fact many of our partners are exploring the options now available to increase the size of structures by utilizing ITC transfers. This structural rethinking can impact the timing of fund commitments. That said, our long-term track record as a sponsor, and relationships which have spanned well over a decade, continue to put us in a good position to arrange tax equity funding.

As of today, closed transactions and executed term sheets provide us with expected tax equity capacity to fund over 195 megawatts of projects for Subscribers beyond what was deployed through the fourth quarter. Sunrun also had \$577 million in unused commitments available in its non-recourse senior revolving warehouse loan at the end of the quarter, pro-forma to reflect the subsequent upsize and amendment. This unused amount would fund approximately 211 megawatts of projects for Subscribers. Our strong capital runway allows us to be selective in timing transactions.

In February we also closed an ABS transaction with a private credit investor, along with arranging subordinated financing. The \$361 million non-recourse senior debt was rated A- by Kroll and was priced with a 232.5 basis points spread. This demonstrated yet another improvement in capital costs, with spreads declining from our last securitization in September that was priced with a 240 basis points spread. We placed a \$109 million subordinated loan on the portfolio as well. The all-in full-stack weighted average cost of capital was approximately 7.5% and resulted in a cumulative advance rate, as measured against our contracted Subscriber Value metric, of over 80%. The use of private credit investors shows the strong interest in our assets from a growing and broad set of investors.

On the parent capital side, we have a couple of updates to share. Our overarching strategy is to drive the lowest cost of capital across the enterprise, supporting high asset-level financing to generate cash, while appropriately managing parent leverage to make sure we have flexibility in terms of our debt maturity timelines. It is prudent to extend facilities early to navigate potential and unexpected macroeconomic conditions and volatility.

Consistent with this strategy, we have been planning to refinance our recourse working capital facility, and we recently closed that extension. We reduced the size from \$600 million to \$447.5 million, with an option to upsize the facility to \$477.5 million prior to September 30, 2024. The reduction in the facility is in-line with the reduced working capital needs of the business, especially as we have substantially reduced inventory as pandemic-related supply chain challenges fade into the past. We amended the facility to extend the maturity from January 2025 to November 2025. We also included a feature that will further extend the maturity to March 2027 – should we meet the requirements for this provision. The facility now has typical grid-based pricing tied to utilization, with spreads ranging from 325 to 375 basis points. This facility can be refinanced without penalty at any time.

Shifting to our convertible debt. In 2021 we issued \$400 million of zero-coupon debt that is due in February 2026. During Q4 and into Q1 we have opportunistically taken advantage of the market dislocation in the pricing of these bonds by repurchasing nearly \$26 million of principal value at a significant discount to par in the open market, deploying approximately \$20 million. These repurchases reflect a healthy low teens-area yield to final maturity, levels we believe are accretive to shareholders.



This afternoon we also issued a press release indicating we are launching a \$475 million convertible debt offering. I will refer you to read that release for more information on the proposed transaction, the use of proceeds, and the capped call transaction that is intended to mitigate dilution.

As of today, we have \$374 million of 2026 convertible bonds outstanding. Our previous transactions buying the 2026 bonds resulted in a reduction to net debt. We also recently reduced our working capital facility by about \$153 million, contemplating this balance sheet optimization opportunity that is consistent with our strategy of being prudent with the quantum and duration of recourse debt.

Depending on the execution of the new convert issuance and the repurchase of the 2026 notes, total recourse indebtedness could either decline or increase, unlikely material in either direction, while the maturity schedule will be extended significantly.

When we think about our balance sheet, we prioritize a strong cash position, and use of asset-level non-recourse debt financing. This strategy provides the lowest cost capital to finance cash-flow producing assets backed by high-credit consumers, and to use parent recourse debt that is appropriately sized and balances maturity dates, cash interest costs and flexibility.

Outlook

Turning now to our outlook on slide 19.

The market remains very underpenetrated and we continue to believe we can sustain robust growth throughout this decade. In this strong long-term demand backdrop, our priority is to generate cash by continuing to increase customer values through growing storage adoption and other higher value products and services, and by reducing costs by driving further efficiencies across the business.

Storage Capacity Installed is expected to be in a range of 160 to 170 megawatt hours in Q1. This represents 125% to 139% growth year-over-year. For the full-year, we expect Storage Capacity Installed to be in a range of 800 megawatt hours to one gigawatt hour, reflecting 40% to 75% growth year-over-year.

Solar Energy Capacity Installed is expected to be in a range of 165 to 175 megawatts in Q1. This represents a decline of approximately 25% from Q4 at the midpoint. Q1 is typically the lowest period of the year based on seasonal constraints to sales activities in Q4 and Q1, along with weather-related obstacles to installations in Q1. Our volume has declined from Q4 to Q1 in every year we've reported our volume, and this year is no exception. In addition, the continued discipline we are exercising in the Affiliate Partner segment has a slight effect along with the fact that we exited Arizona. Because of the pull-in of demand in California in early 2023, year-over-year comparisons are less relevant in Q1. We are confident that Q1 volumes will mark the low point and we expect very robust sequential growth into Q2 and the rest of the year.

For the full-year, we expect Solar Capacity Installed to be in the range of down 5% to up 5%. This represents market-share gains as the strength of our subscription offering and our disciplined go-to-market approach delivers strong results.

Our growth in the value we create with this volume will be much larger. We forecast Subscriber Values will increase by greater than 10% in 2024 as we increase our mix of higher-value offerings, and input costs decline, resulting in growth of Total Value Generated of greater than 15% in 2024.

Turning to slide 20.

We expect our disciplined and focused strategy will allow us to capitalize on our long-term opportunity, with our current focus on cash generation in 2024.

We are reiterating our range of two hundred to five hundred million dollars in recurring annual cash generation, which we expect to achieve by the fourth quarter of 2024. We generated cash in the fourth quarter, the second consecutive quarter of positive cash generation. We continue to expect cumulative Cash Generation to be positive from Q4 2023 through the end of 2024. Keep in mind, cash generation can



be lumpy quarter-to-quarter based on project financing timing and inherent seasonality in our business. To this point, we expect to have lower cash generation in Q1 owing to the timing of financing activity and lower volumes, the latter of which results in worse fixed cost absorption. In addition, refinancing our warehouse facility will result in a one-time reduction to cash as we reflect the new advance rate on assets in the facility.

Our cash generation range is based on assumptions we have outlined on the bottom of slide 20.

With that, let me turn it back to Mary.

MARY POWELL

Thanks, Danny.

I am so appreciative of the work of the Sunrun team executing on our transition to a storage-first company to extend our differentiation, expand our margins, and deliver the best value to customers. Importantly, I believe our steadfast commitment to our disciplined growth strategy will maximize the value we can create in the long-run.

Operator, let's open the line for questions.

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 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 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; 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; 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.