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Sunrun Closes $835 Million Non-Recourse Financings to Support Continued Growth

Financings result in advance rate exceeding 85% of contracted Subscriber Value, above the high-end of prior guidance range, and demonstrates robust access to capital across multiple markets

SAN FRANCISCO, Jan. 05, 2023 (GLOBE NEWSWIRE) -- Sunrun (Nasdaq: RUN), the nation's leading home solar, battery storage and energy services company, closed a $600 million non-recourse syndicated bank facility supporting a 335 MW portfolio of leases and power purchase agreements (the "Senior Credit Facilities"). The Senior Credit Facilities consist of a $575 million amortizing loan (the "Senior Loan") and a $25 million debt service reserve letter of credit ("DSR LC"). Sunrun also closed an additional non-recourse subordinated financing, which is secured by Sunrun's retained equity interest in the underlying collateral supporting the Senior Credit Facilities. All facilities closed on December 23, 2022.

"I am pleased with the resiliency in both our senior and subordinated non-recourse cost of capital. The Senior Loan priced at an initial credit spread 100 basis points below recent Solar Loan asset-backed securitization transactions observed in the sector, while delivering a cumulative advance rate above our prior guidance range of 75%-85%," said Danny Abajian, Sunrun's Chief Financial Officer. "These financings highlight that Sunrun's 15-year track record of strong asset performance and deep relationships across multiple capital markets provide stability and predictability, even with escalating interest rates."

The $575 million Senior Loan was priced at a credit spread of approximately 212.5 basis points to the Daily Simple Secured Overnight Financing Rate ("SOFR"), with a 12.5 basis points margin step-up on the fourth anniversary of the closing date. SOFR is the successor to the London Interbank Offered Rate (LIBOR). Concurrent with closing, the subsidiary borrower entered into long-term amortizing fixed-for-floating interest rate swaps, providing a weighted-average fixed base rate of 3.49%, and a total initial swapped Senior Loan cost of debt of 5.62%. The 212.5 basis points credit spread is approximately 100 basis points lower than the weighted average AA- and A- credit spreads for two fourth quarter solar loan asset-backed securitizations issued by others in the sector. The $25 million DSR LC is undrawn and was placed in lieu of a cash-funded debt service reserve account, which is typically required in asset-backed securitizations. The Senior Credit Facilities were more than 1.50x oversubscribed among a syndicate of nine lenders and represents the largest senior tranche for a term financing since Sunrun's inception. The Senior Loan is structured to support amortization over the life of the assets and has a final maturity date of December 23, 2029.

Concurrent with closing the Senior Credit Facilities, Sunrun raised a $235 million non-recourse subordinated financing, which increased the cumulative advance rate obtained by Sunrun. The cost of the non-recourse subordinated financing is consistent with Sunrun's existing subordinated debt financing facilities. Taking together tax equity proceeds and other upfront cash flows, including upfront rebates and customer prepayments, the Senior Loan and the subordinated financing, Sunrun realized proceeds, net of transaction fees, that represent over 85% of the contracted Subscriber Value associated with the assets in the transaction, measured using a 5% discount rate. The Senior Loan and subordinated financing will be funded in two draws, with the first draw having occurred upon closing in December and the second draw anticipated to occur in the first quarter of 2023 concurrent with the addition of a tax equity fund currently debt-financed in Sunrun's revolving warehouse facility.

For its in-period Subscriber Additions, Sunrun reports Subscriber Value, which represents the per subscriber value of upfront and future cash flows (discounted at 5%). For the full definition of Subscriber Value, please see our latest earnings press release or investor presentation, both of which can be accessed on our investor relations website at investors.sunrun.com.

KeyBanc Capital Markets and Silicon Valley Bank acted as coordinating lead arrangers for the Senior Loan transaction. RBC Capital Markets served as exclusive placement agent for the subordinated financing.

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

Forward Looking Statements

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

Company's ability to attract and retain the Company's relationships with third parties, including the Company's solar partners; the Company's continued ability to manage costs associated with solar service offerings; the Company's business plan and the Company's ability to effectively manage the Company's growth and labor constraints; the Company's ability to meet the covenants in the Company's investment funds and debt facilities; factors impacting the solar industry generally, an 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.

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