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Deceptive Short Seller Muddy Waters Once Again Has Its “Facts” Wrong

SAN FRANCISCO, Oct. 25, 2023 (GLOBE NEWSWIRE) -- Sunrun (Nasdaq: RUN), the nation’s leading provider of residential solar, storage and energy services, sets the record straight in response to another deceptive report issued today by short-seller Muddy Waters.

Muddy Waters has again attempted to mislead their readers and manipulate the share price for Muddy Waters’ benefit with gross inaccuracies. It purports that data published by the Energy Information Administration (EIA) and Sunrun’s reported Subscribers count is comparable, which it is not. Muddy Waters is comparing apples to oranges and even concedes that the data likely is not comparable.

The fact is that volume reported to EIA is not equatable to Sunrun’s Subscriber volume reporting. Sunrun provides both figures; however, data supplied to EIA is not comparable to Subscribers for several reasons. First, as Muddy Waters acknowledges, Sunrun’s customer count is based on installations, whereas EIA data is based on assets that are already placed in operation. Because there is often a substantial lag between installation activities and ultimate operation (called “Permission to Operate”), and an additional lag before monthly billing commences, the EIA number will always be substantially lower than Sunrun’s reported “Subscribers” metric. Additionally, the EIA data excludes customers Sunrun is not actively billing, such as subscribers who elected to pre-pay their contracts. Muddy Waters has it wrong.

Sunrun fully stands behind its reporting of metrics, including Subscribers.

Muddy Waters also insinuates that investment tax credits are somehow based on data supplied to EIA. This is also entirely incorrect. EIA data has no bearing on tax credit determinations or reporting to Sunrun’s investors. Data Sunrun reports to EIA is a compliance requirement to provide information about billing amounts to customers and nameplate capacity of solar systems currently owned by Sunrun, based on specifications provided by EIA. Muddy Waters has it wrong.

In addition, Muddy Waters also demonstrates they do not understand GAAP accounting for leased systems. For Subscribers, Sunrun incurs many costs that are expensed in-period. Only certain costs are capitalized. For Customers who purchase systems, Sunrun expenses all costs in-period. Muddy Waters is trying to compare all costs incurred for Customer purchase systems to only the capitalized costs to create Subscribers. Sunrun appropriately captures the cost to install a Subscriber in our reported supplemental cost memo. Muddy Waters has it wrong.

Sunrun stands by its financial statements, risk disclosures, and information provided to investors, regulators, taxing authorities, and the U.S. Energy Information Administration. Sunrun is committed to operating with the highest integrity, and utilizes industry-standard financing vehicles.

Definitions of Capitalized terms used herein may be found in our most recent earnings release and Investor Presentation, available via the “Investor Relations” section of Sunrun’s website at https://investors.sunrun.com.

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About Sunrun

Sunrun Inc. (Nasdaq: RUN) is the nation’s leading home solar, storage, and energy services company. Founded in 2007, Sunrun pioneered home solar service plans to make local clean energy more accessible to everyone for little to no upfront cost. Sunrun’s innovative home storage solution brings families affordable, resilient, and reliable energy. The company can also manage and share stored solar energy to provide benefits to households, utilities, and the electric grid while reducing our reliance on polluting energy sources. For more information, please visit www.sunrun.com.

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; 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; 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.

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Source: Sunrun Inc.