



NOVEMBER 15, 2021

# Earnings Results



3Q 2021

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THE PERMISSION OF SUNLIGHT FINANCIAL



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## Non-GAAP Financial Measures

In addition to financial information presented in accordance with United States generally accepted accounting principles ("GAAP"), this Presentation and the accompanying oral presentation include certain non-GAAP financial measures, such as Total Revenue, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and operating expenses which Sunlight's management believes provide useful information to management, investors and others regarding certain financial and business trends relating to Sunlight's financial condition and results of operations. These non-GAAP measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. These non-GAAP measures have limitations as analytical tools, and they should not be considered in isolation or as a substitute for analysis of GAAP financial measures. For an explanation of the differences between these non-GAAP metrics and the most directly comparable GAAP metric, why management believes presenting the non-GAAP measures is useful to management, investors and others, and how management uses the non-GAAP metric in conducting its business, please see the accompanying reconciliations of the non-GAAP financial measures to their most directly comparable GAAP-financial measures on page 22 of this Presentation.

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- II. Additional Third Quarter Information**
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# 3Q 2021 At A Glance

## Operational Highlights

**\$639m**

Total Funded Loans

**4.3%**

Total Platform Fee Margin

**1,484**

Total Contractors

## Financial Highlights

**\$30m**

Total Revenue<sup>1</sup>

**\$11.4m**

Adjusted EBITDA<sup>1</sup>

**\$28.8m**

YTD Free Cash Flow<sup>1</sup>

## Recent Business Updates

### Capital Providers



Added three new capital providers to diversify funding sources, increase access to low-cost capital, and improve pricing for contractors

### Contractors



Signed exclusive first look and volume commitments representing over \$1 billion of expected funded loan volume in 2022

### Orange Platform



Introduced RPA (Robotic Process Automation) into loan processing to drive operational efficiency and enhance the customer experience

### Sunlight Maxx

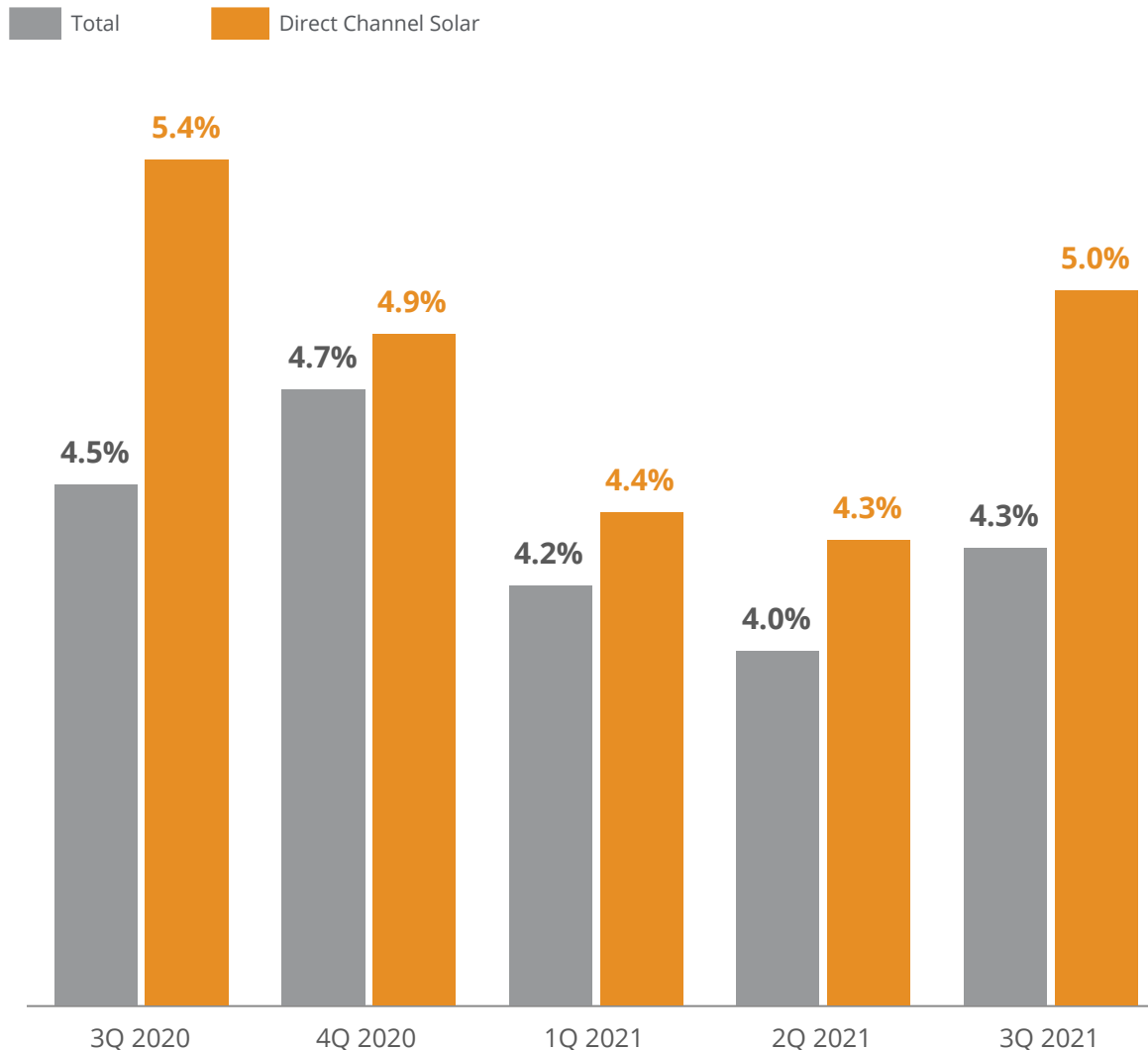


Launched non-prime solar and home improvement products to expand approval rates and further improve value proposition for contractors

(1) For a reconciliation of these Non-GAAP measures to their most directly comparable GAAP measures, see page 17, and for descriptions of Non-GAAP measures, see page 22.

# Significant Margin Improvement in 3Q 2021

## Platform Fee Margin



- Total Platform Fee Margin rebounded from 4.0% in 2Q21 to 4.3% in 3Q21
- Direct Channel Platform Fee Margin improved from 4.3% in 2Q21 to 5.0% in 3Q21
- Improvements in capital provider pricing enabled Sunlight to continue to provide attractive pricing to contractors and to increase Platform Fee Margin
- Management expects this dynamic to continue in 4Q21 as improved capital provider pricing flows through to more Funded Loans

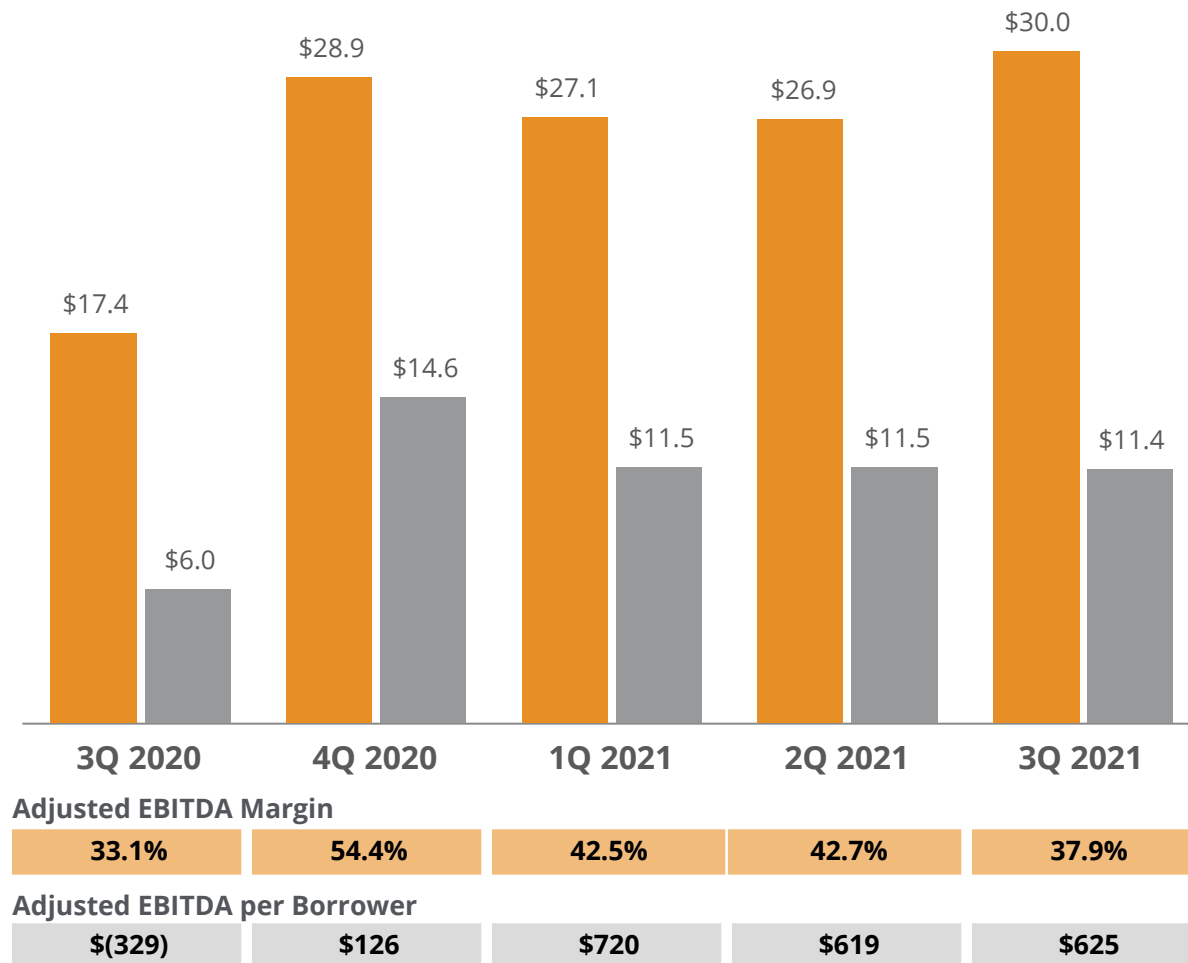
# 3Q 2021 Key Earnings Metrics

## Key Earnings Metrics

\$ in millions

Total Revenue

Adjusted EBITDA



- 3Q21 Total Revenue<sup>1</sup> and Adjusted EBITDA<sup>1</sup> increased 72% and 97%, respectively, from 3Q20
- Total Revenue<sup>1</sup> in 3Q21 was 11% higher than last quarter, and represents a quarterly high point for Sunlight
- Adjusted EBITDA<sup>1</sup> was relatively flat, as improved margins were offset by an increased level of operating expense (associated with being a public company as previously disclosed)

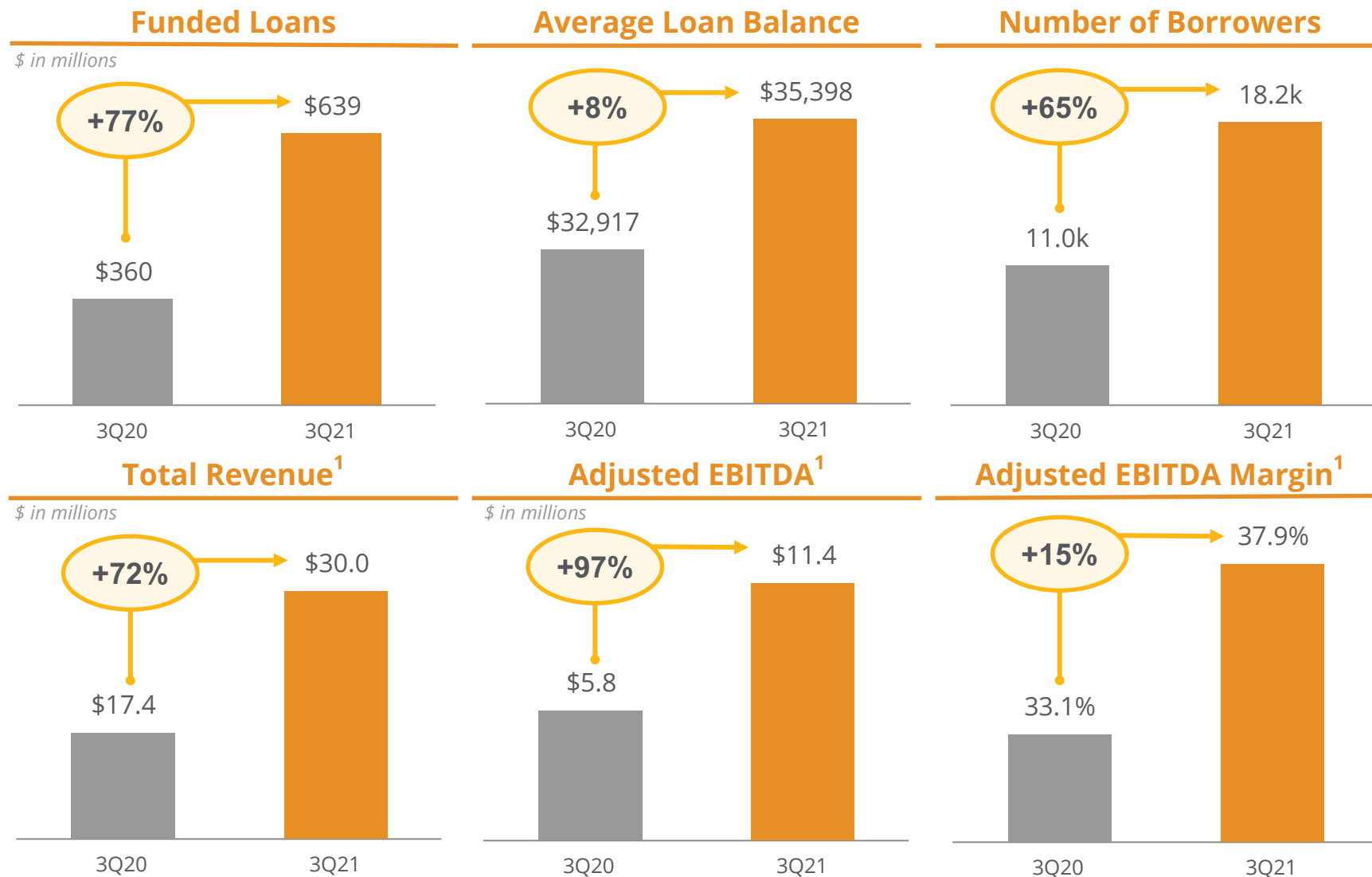
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# 3Q 2021 Results Show Growth Across Key Metrics



(1) For a reconciliation of these Non-GAAP measures to their most directly comparable GAAP measures, see page 17, and for descriptions of Non-GAAP measures, see page 22.

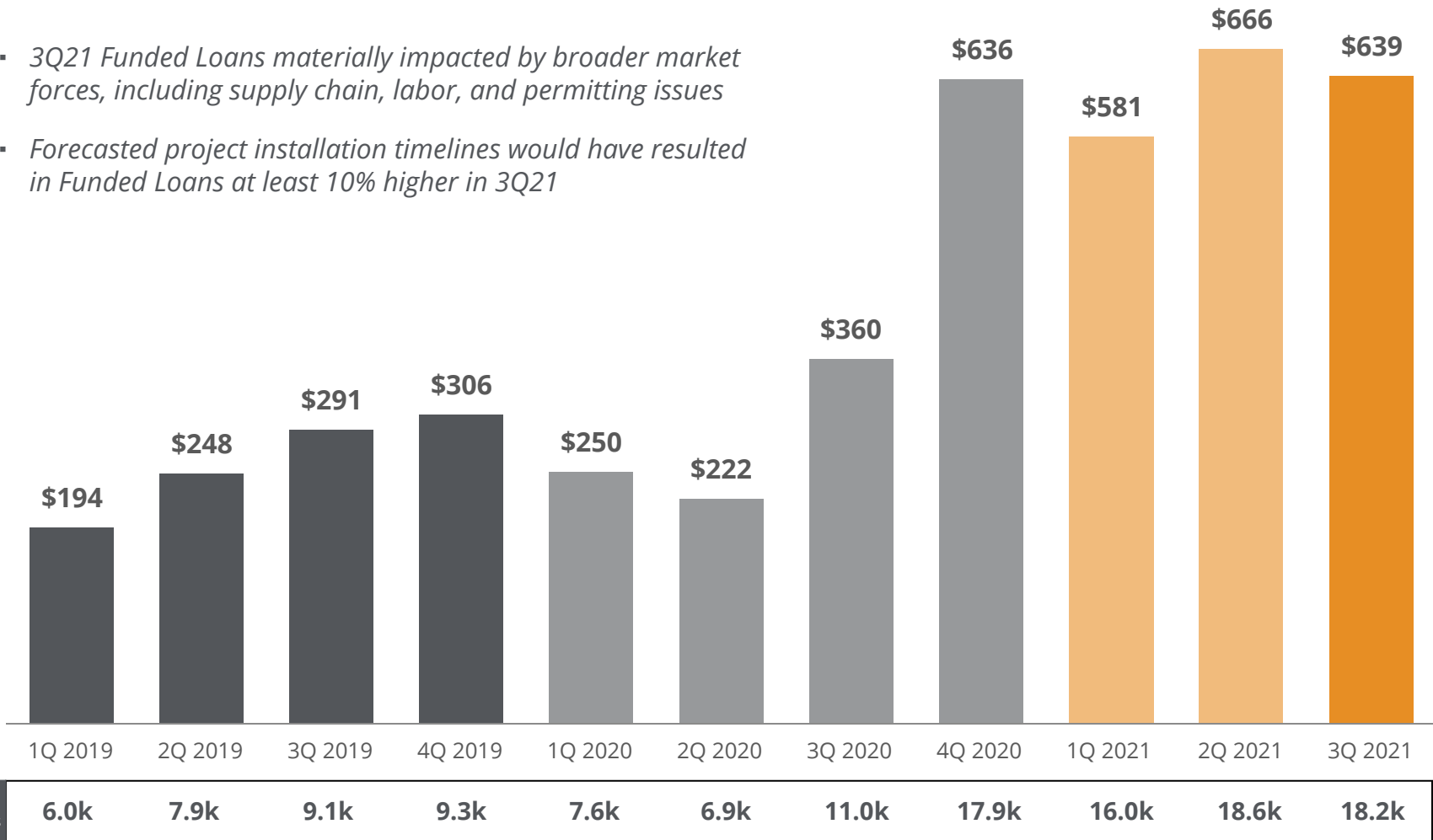


# Funded Loans: Strong but Impacted by Market

## Funded Loans by Quarter

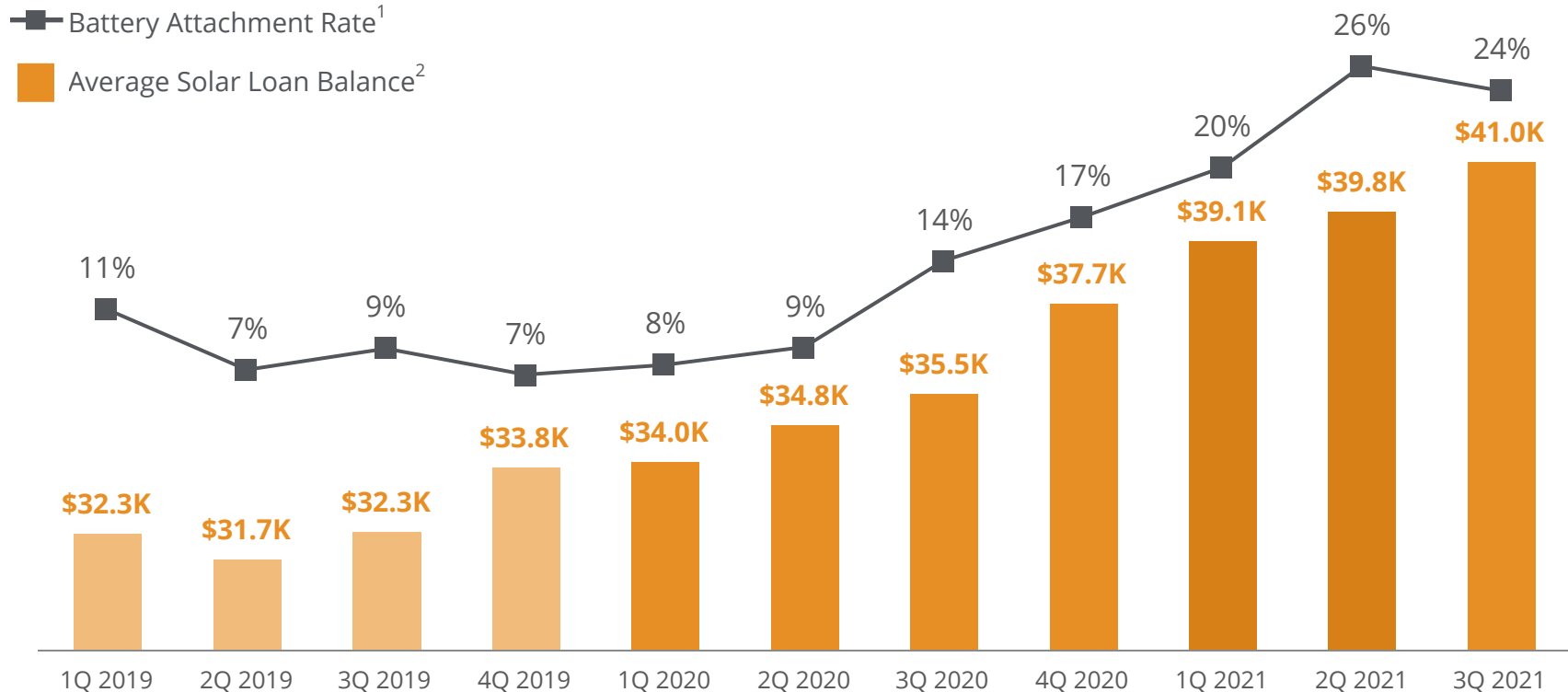
\$ in millions

- 3Q21 Funded Loans materially impacted by broader market forces, including supply chain, labor, and permitting issues
- Forecasted project installation timelines would have resulted in Funded Loans at least 10% higher in 3Q21



# Growing Loan Balances Drive Revenue & Margin

## Battery Attachment Rates and Average Solar Loan Balances



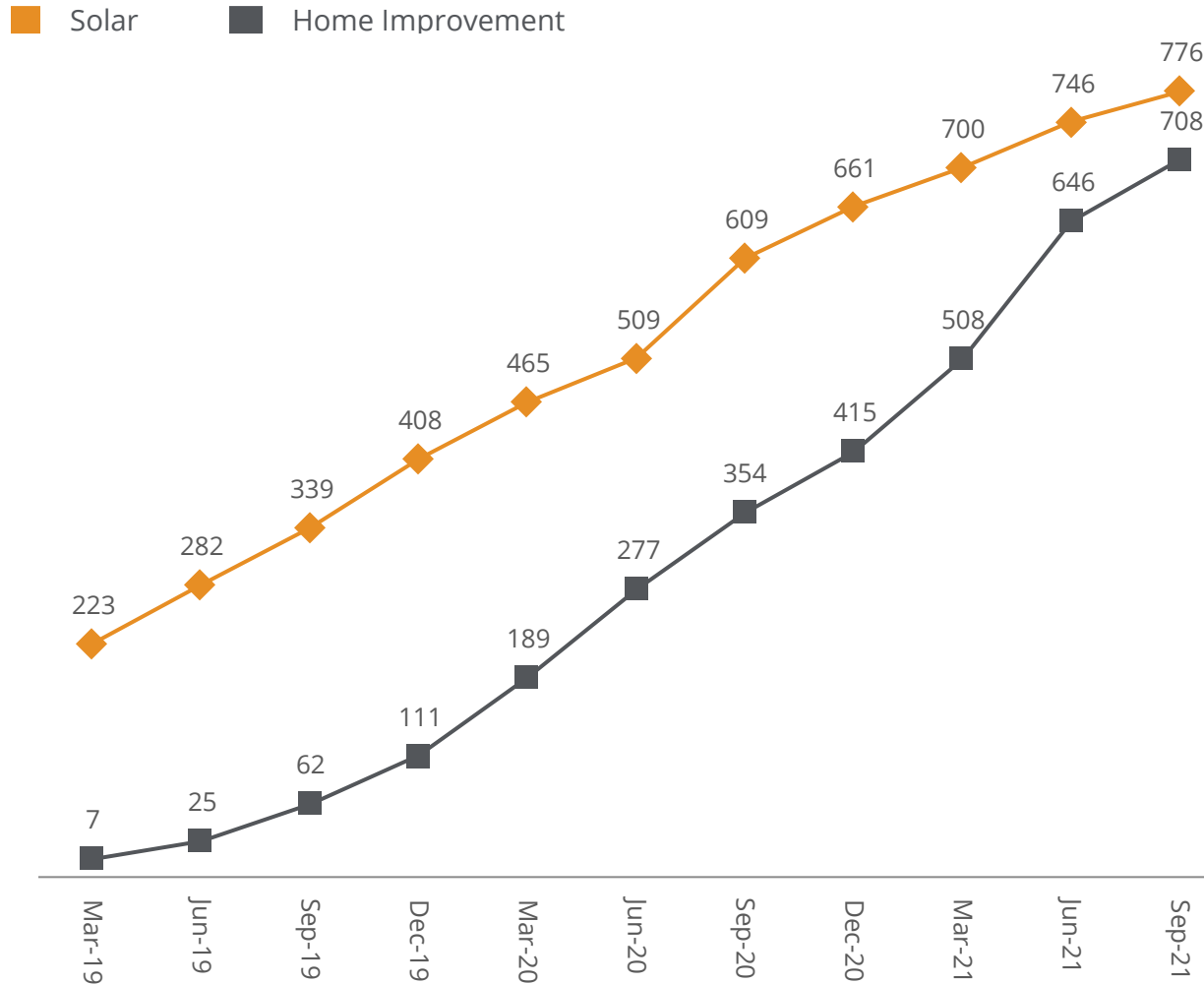
- Average Balance of Funded Solar Loans continues to grow, exceeding \$40,000 for the first time
- Battery Attachment Rate dipped slightly to 24% in 3Q; still reflects strong year-over-year growth, up from only 14% in 3Q 2020
  - Battery Attachment Rate will vary due to mix of installers, location, and battery supply levels

(1) Reflects average battery attachment rate per quarter based on the balances of the solar loans with a battery divided by the total balances of the solar loans.

(2) Reflects average solar loan size at origination based on total funded solar loans and total number of borrowers per period.

# Growing Network of Contractors

## Quarterly Contractor Growth<sup>1</sup>



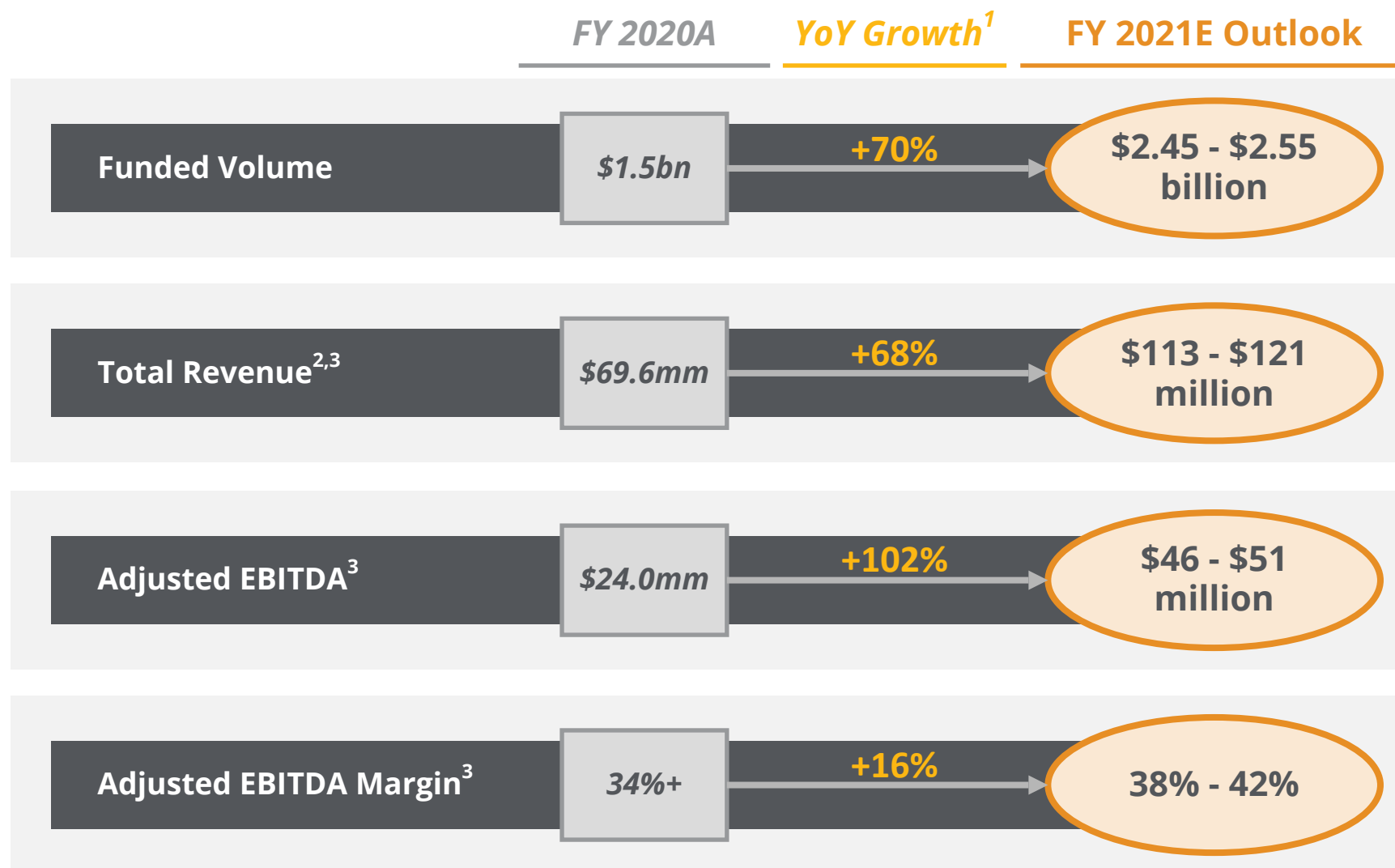
**Sunlight continues to build long-lasting relationships with its growing network of contractors**

**+30** new solar contractors in 3Q21, with total solar contractors up **27%** from 3Q20

**+62** new home improvement contractors in 3Q21, with total home improvement contractors up **100%** from 3Q20

(1) Reflects number of contractors that had customers submit credit applications through Sunlight for solar, home improvement, or both during the last 12-months of that respective period.

# Full-Year 2021 Outlook



Note: All forecasts based on Sunlight internal projections. (1) Represents growth from 2020A to the midpoint of the FY 2021 Outlook range. (2) Includes home improvement platform fees. (3) For a reconciliation of these Non-GAAP measures to their most directly comparable GAAP measures, see page 17 and for descriptions of Non-GAAP measures, see page 22.

# Multiple Drivers for Continued Growth



## Growth in Residential Solar Business

-  Robust market growth, boosted by potential climate-focused legislation
-  Increased market share with existing solar contractors
-  Additional solar contractors on the Orange platform
-  Battery storage growing average loan size






## Growth in Home Improvement Business

-  Massive, fragmented market of over \$400 billion per year with ~30%+ of the market focused on energy efficiency-related projects
-  Additional HI contractors on the Orange platform
-  Addition of Direct Channel Capital Providers to improve margins over time



## Accretive Capital Deployment

-  Advances to contractors and other uses of capital to create stickier relationships
-  Exploration of M&A opportunities
-  Expansion into adjacent verticals

Source: Wood MacKenzie, Solar Energy Industry Association, and Harvard Joint Center for Housing Studies.

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# Historical Income Statement Summary By Quarter

\$ in thousands

	2020		2021			3Q 2021 vs. 3Q 2020	
	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	Increase (Decrease)	
						\$	%
<b>Revenue</b>	<b>\$ 17,247</b>	<b>\$ 29,045</b>	<b>\$ 24,787</b>	<b>\$ 26,203</b>	<b>\$ 28,594</b>	<b>\$ 11,347</b>	<b>66 %</b>
Cost of revenue	3,468	4,996	4,854	5,337	5,206	1,738	50 %
Compensation and benefits <sup>1</sup>	6,748	6,703	8,012	8,108	33,824	27,076	nm
Selling, general and administrative	904	1,079	1,916	1,204	3,660	2,756	nm
Property and technology	1,105	1,150	1,208	1,420	1,664	559	51 %
Depreciation and amortization <sup>2</sup>	812	801	809	801	20,619	19,807	nm
Provision for losses	310	562	736	436	254	(56)	(18)%
Management fees to affiliate	100	100	100	100	4	(96)	(96)%
Costs and Expenses	\$ 13,447	\$ 15,391	\$ 17,635	\$ 17,406	\$ 65,231	\$ 51,784	nm
<b>Operating income</b>	<b>\$ 3,800</b>	<b>\$ 13,654</b>	<b>\$ 7,152</b>	<b>\$ 8,797</b>	<b>\$ (36,637)</b>	<b>\$ (40,437)</b>	<b>nm</b>
Interest income	\$ 94	\$ 150	\$ 141	\$ 112	\$ 86	\$ (8)	(9)%
Interest expense	(264)	(237)	(255)	(317)	(323)	(59)	22 %
Change in fair value of warrant liabilities	(95)	(5,444)	(2,614)	(1,451)	8,677	8,772	nm
Change in fair value of contract derivative, net	391	589	(856)	69	614	223	57 %
Realized gains on contract derivative, net	170	(188)	2,267	719	1,383	1,213	nm
Other realized losses, net	—	(171)	—	—	—	—	nm
Other income (expense)	(24)	(220)	412	209	(65)	(41)	171 %
Business combination expenses	—	(880)	(3,587)	(2,895)	(1,622)	(1,622)	nm
Other Income (expense), net	\$ 272	\$ (6,401)	\$ (4,492)	\$ (3,554)	\$ 8,750	\$ 8,478	nm
<b>Net Income (Loss) Before Income Taxes</b>	<b>\$ 4,072</b>	<b>\$ 7,253</b>	<b>\$ 2,660</b>	<b>\$ 5,243</b>	<b>\$ (27,887)</b>	<b>\$ (31,959)</b>	<b>nm</b>
Income tax benefit (expense)	NA	NA	NA	NA	\$ 5,684	5,684	nm
<b>GAAP Net Income</b>	<b>\$ 4,072</b>	<b>\$ 7,253</b>	<b>\$ 2,660</b>	<b>\$ 5,243</b>	<b>\$ (22,203)</b>	<b>\$ (26,275)</b>	<b>nm</b>
Noncontrolling interests in loss of consolidated subsidiaries					9,108	9,108	nm
<b>Net Income (Loss) Attributable to Class A Shareholders</b>					<b>(13,095)</b>	<b>(13,095)</b>	<b>nm</b>

(1) 3Q 2021 expense Includes approximately \$24.8 million related to existing and new equity-based awards driven by the closing of the business combination.

(2) 3Q 2021 expense includes approximately \$20.5 million of intangibles amortization, primarily related to purchase-price accounting at the close of the business combination.

# Historical Balance Sheet by Quarter

\$ in thousands

	Dec. 31, 2020	March 31, 2021	June 30, 2021	Sept. 30, 2021
<b>Assets</b>				
Cash and cash equivalents	\$ 49,583	\$ 51,235	\$ 62,521	\$ 72,786
Restricted cash	3,122	4,081	3,861	2,259
Advances (net of allowance for credit losses of \$211 and \$121)	35,280	32,529	40,768	71,310
Financing receivables (net of allowance for credit losses of \$111 and \$125)	5,333	5,065	4,707	4,789
Goodwill	—	—	—	670,014
Intangible assets, net	—	—	—	387,887
Property and equipment, net	5,725	5,625	5,693	1,172
Due from affiliates	—	1,839	1,839	367
Other assets	7,030	4,418	4,340	21,942
<b>Total Assets</b>	<b>\$ 106,073</b>	<b>\$ 104,792</b>	<b>\$ 123,729</b>	<b>\$ 1,232,526</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 15,782	\$ 16,353	\$ 18,873	\$ 20,228
Funding commitments	18,386	16,470	22,164	20,987
Debt	14,625	14,625	20,613	20,613
Distributions payable	7,522	765	—	—
Deferred tax liabilities	—	—	—	36,081
Due to affiliates	—	1,732	761	817
Warrants, at fair value	5,643	8,257	9,708	31,474
Other liabilities	1,502	1,306	1,076	681
<b>Total liabilities</b>	<b>63,460</b>	<b>59,508</b>	<b>73,195</b>	<b>130,881</b>
<b>Temporary Equity</b>	<b>664,516</b>	<b>833,249</b>	<b>899,688</b>	<b>—</b>
<b>Stockholders' Equity</b>				
Other ownership interests' capital (predecessor)	1,439	1,450	1,457	—
Class A Common Stock	—	—	—	9
Additional paid-in capital	—	—	—	724,941
Accumulated deficit	(623,342)	(789,415)	(850,611)	(37,789)
Total Capital	\$ (621,903)	\$ (787,965)	\$ (849,154)	\$ 687,161
Treasury stock, at cost	—	—	—	(15,447)
<b>Total Stockholders' Equity</b>	<b>\$ (621,903)</b>	<b>\$ (787,965)</b>	<b>\$ (849,154)</b>	<b>\$ 671,714</b>
Noncontrolling interests in consolidated subsidiaries	—	—	—	429,931
<b>Total Equity</b>	<b>\$ (621,903)</b>	<b>\$ (787,965)</b>	<b>\$ (849,154)</b>	<b>\$ 1,101,645</b>
<b>Total Liabilities and Equity</b>	<b>\$ 106,073</b>	<b>\$ 104,792</b>	<b>\$ 123,729</b>	<b>\$ 1,232,526</b>

Note: The June 30, 2021 balance does not reflect any impacts from the business combination completed on July 9, 2021. The September 30, 2021 balance reflects the combined businesses.



# Non-GAAP Reconciliations

\$ in thousands

## Total Revenue Reconciliation

	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021
GAAP Revenue	\$ 13,073	\$ 10,199	\$ 17,247	\$ 29,045	\$ 24,787	\$ 26,203	\$ 28,594
(+) Realized gains on contract derivative, net	32	89	170	(188)	2,267	719	1,383
<b>Total Revenue</b>	<b>\$ 13,105</b>	<b>\$ 10,288</b>	<b>\$ 17,417</b>	<b>\$ 28,857</b>	<b>\$ 27,054</b>	<b>\$ 26,922</b>	<b>\$ 29,977</b>

## Adjusted EBITDA Reconciliation

	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021
<b>Net Income</b>	<b>\$ 453</b>	<b>\$ (1,154)</b>	<b>\$ 4,072</b>	<b>\$ 7,253</b>	<b>\$ 2,660</b>	<b>\$ 5,243</b>	<b>\$ (22,203)</b>
(+) Depreciation & amortization	803	815	812	801	809	801	20,619
(+) Interest expense <sup>1</sup>	159	169	264	237	255	317	323
(+) Income Taxes	—	—	—	—	—	—	(5,684)
(+) Non-Cash Change in financial instruments	(37)	(57)	(272)	5,075	3,058	1,173	(9,252)
(+) Non-cash equity-based compensation expense	77	20	15	14	11	7	24,821
(+) Broker fees <sup>2</sup>	829	429	869	1,434	1,110	1,059	1,126
(+) Expenses from Business Combination <sup>3</sup>	—	—	—	880	3,587	2,895	1,622
<b>Adjusted EBITDA</b>	<b>\$ 2,284</b>	<b>\$ 222</b>	<b>\$ 5,760</b>	<b>\$ 15,694</b>	<b>\$ 11,490</b>	<b>\$ 11,495</b>	<b>\$ 11,372</b>
<b>Adjusted EBITDA Margin</b>	17.4 %	2.2 %	33.1 %	54.4 %	42.5 %	42.7 %	37.9 %

## Free Cash Flow Reconciliation

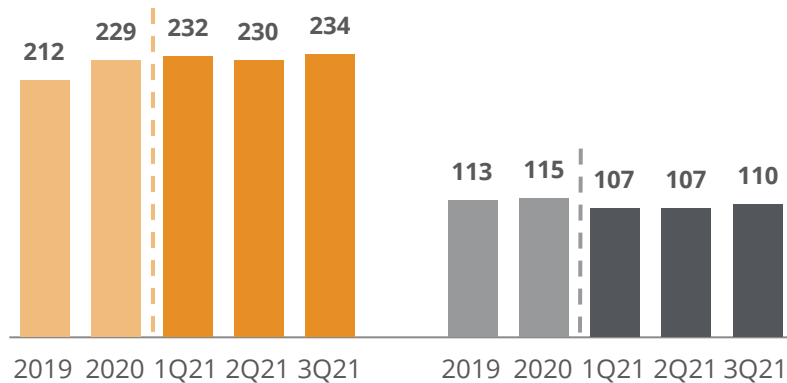
	1Q 2020	2Q 2020	3Q 2020	1Q 2021	2Q 2021	3Q 2021
<b>Net Operating Cash</b>	<b>(1,785)</b>	<b>(8,432)</b>	<b>(9,725)</b>	<b>10,500</b>	<b>6,606</b>	<b>(50,671)</b>
Capital expenditures	(865)	(749)	(1,668)	(709)	(357)	(789)
Changes in advances, net of funding	1,914	9,427	9,534	(855)	2,654	33,402
Changes in restricted cash	(899)	217	217	(1,040)	915	1,602
Payments of Business Combination costs	—	—	—	4,470	2,012	1,035
Other changes in working capital	151	386	386	367	(566)	20,247
<b>Free Cash Flow</b>	<b>\$ (1,484)</b>	<b>\$ 849</b>	<b>\$ (1,256)</b>	<b>\$ 12,733</b>	<b>\$ 11,264</b>	<b>\$ 4,826</b>
<b>Free Cash Flow Conversion</b>	NM	NM	(21.8)%	110.8 %	98.0 %	42.4 %

Note: For descriptions of Non-GAAP measures, see page 22. (1) Related to revolver to fund working capital advances to contractors. (2) Fees paid to brokers for introductions to Capital Providers. Fees paid to brokers have sunset provisions, and Sunlight going forward does not expect paying brokers for Capital Provider introductions to be a regular part of the business. (3) Reflects reversal of expense incurred during the business combination process.

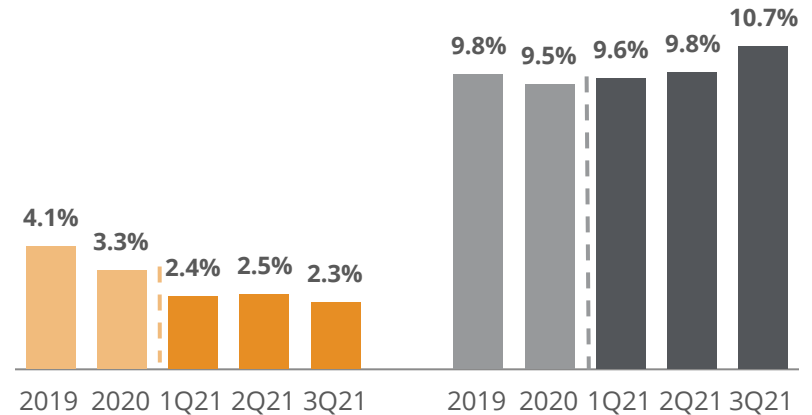
# Facilitating the Origination of Attractive Assets

## Loan Term

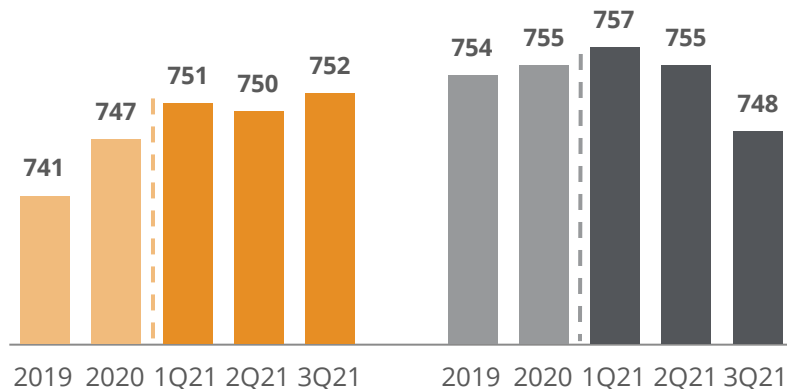
months



## Customer Interest Rate

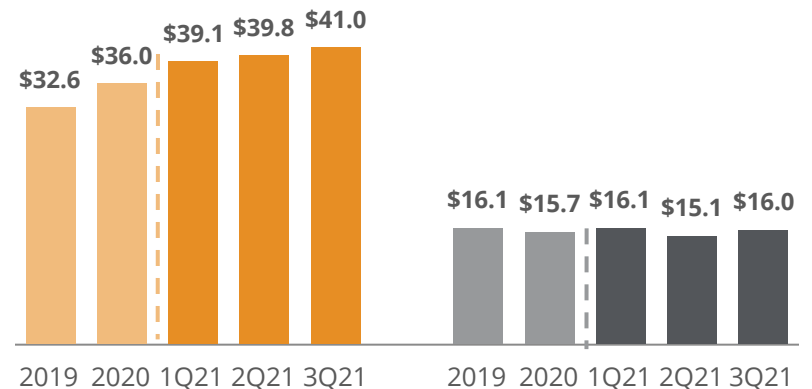


## Customer FICO Score



## Average Loan Balance

\$ in thousands



Solar

Home Improvement

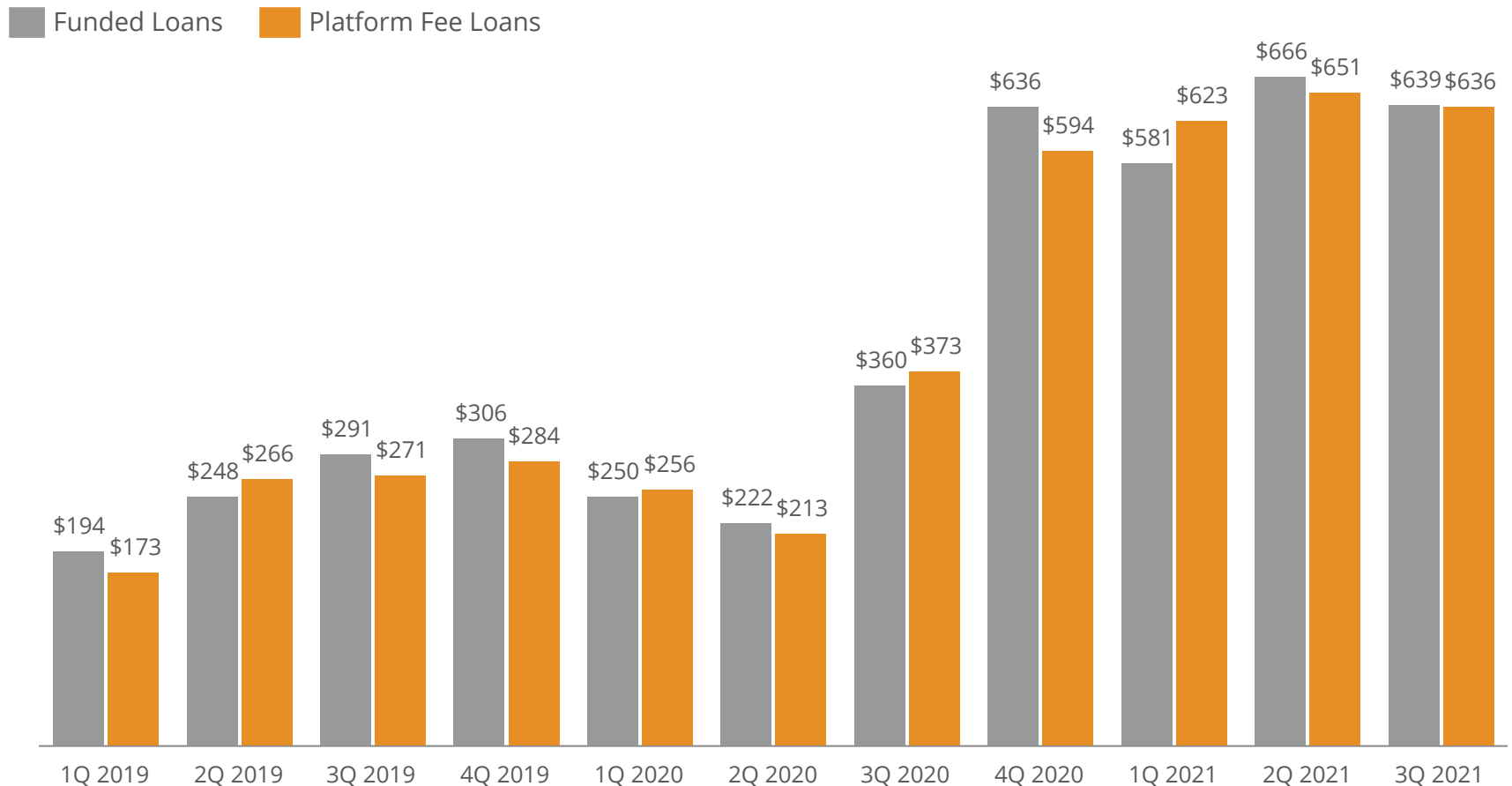
# Funded vs. Platform Fee Loans: Overview

	Funded Loans	Platform Fee Loans	Segment Type
Direct Channel	<p>Represents all loans facilitated by Sunlight and originated by Sunlight Capital Providers within a given period</p> <p>All loans in Direct Channel are funded directly onto the balance sheet of Capital Providers and are considered Funded Loans</p>	<p>Represents loans with respect to which Sunlight has earned Platform Fees (revenue) within a given period</p> <p>Platform Fees are earned when the Capital Provider funds a particular loan, so Funded Loans and Platform Fee Loans are the same in the Direct Channel</p>	Solar Only
Indirect Channel	<p>All loans in the Indirect Channel are funded onto the balance sheet of an intermediary bank partner and are considered Funded Loans</p>	<p>Loans in Indirect Channel are pooled on the balance sheet of intermediary bank partner and sold to Indirect Channel Capital Providers. Platform Fees are earned at the time of such sale (with such loans being sold referred to as Platform Fee Loans)</p>	Solar Home Improvement

# Funded vs. Platform Fee Loans Since 1Q 2019

As described on the prior page, there may be differences between Funded Loans and Platform Fee Loans in a given period due to timing of when Platform Fees are earned in our Indirect Channel

## Funded Loans versus Platform Fee Loans



Note: Refer to page 19 for additional detail on the distinction of Sunlight's loan volumes and channels.

# Summary of SUNL Shares Outstanding

Shares Outstanding		As of November 12, 2021
Class A Shares Outstanding		84,821,189
Class C Shares Outstanding <sup>1</sup>		47,595,455
Treasury Stock		1,552,407
<b>Total Shares Outstanding</b>		<b>133,969,051</b>

Warrants	Exercise Price per Share	As of November 12, 2021
Public Warrants <sup>2</sup>	\$11.50	17,250,000
Private Placement Warrants	\$11.50	9,900,000
Other	\$7.72	627,780
<b>Total Warrants</b>		<b>27,777,780</b>

Source: Sunlight Financial Third Quarter 2021 Form 10-Q. See Note 6 - Equity for additional detail.

(1) Each Class C Share, along with one Class EX Unit, can be exchanged for one Class A Share, subject to certain limitations. Upon exchange, Sunlight redeems and cancels the Class C common stock and Sunlight Financial LLC redeems and cancels the Class EX Unit. Class C Shares have no dividend or liquidation rights, but do have voting rights on a pari passu basis with the Class A Shares.

(2) Public Warrants have an exercise price of \$11.50 per share, subject to adjustments, and will expire upon the earlier of redemption or five years after the completion of the Business Combination. The warrants will become exercisable on November 30, 2021.

# Non-GAAP Measures and Other Metrics

## Non-GAAP Measures

"*Total Revenue*" is a non-GAAP financial measure defined as GAAP Revenue plus "Realized Gains on Contract Derivatives, Net". Solar platform fees are captured in the Revenue line item and Home Improvement Platform Fees captured in the "Realized Gains" line item, so management believes the two together represent the total revenue of the business.

"*Adjusted EBITDA*" is a non-GAAP financial measure used by management to evaluate Sunlight's operating performance, generate future operating plans, and make strategic decisions, including those relating to operating expenses and the allocation of internal resources. Accordingly, Sunlight believes this measure provides useful information to investors and others in understanding and evaluating its operating results in the same manner as its management and board of directors. In addition, it provides a useful measure for period-to-period comparisons of Sunlight's business, as it removes the effect of certain non-cash items, variable charges, non-recurring items, unrealized gains or losses or other similar non-cash items that are included in net income or expenses associated with the early stages of the business that are expected to ultimately terminate, pursuant to the terms of certain existing contractual arrangements or expected to continue at levels materially below the historical level, or that otherwise do not contribute directly to management's evaluation of its operating results. "Adjusted EBITDA" is defined as net income excluding interest expense incurred in connection with Sunlight's Credit Facility, income taxes, amortization and depreciation expense, stock-based compensation expense, non-cash changes in certain financial instruments, fees paid to brokers related to the funding of loans by certain of Sunlight's capital providers that will terminate pursuant to existing contractual arrangements and certain transaction bonuses and other expenses resulting from the proposed Business Combination.

"*Adjusted EBITDA Margin*" is defined as Adjusted EBITDA divided by Total Revenue, expressed as a percentage. Management believes that Adjusted EBITDA Margin is useful in evaluating Sunlight's operating results relative to the revenue recognized in the applicable period.

"*Free Cash Flow*" is a non-GAAP financial measure that Sunlight uses to indicate cash flow generated by Sunlight's operations. Sunlight believes that Free Cash Flow is a supplemental financial measure useful as an indicator of Sunlight's ability to generate cash. Sunlight's calculation of Free Cash Flow, however, may not necessarily be comparable to similar measures presented by other companies. Specifically, Sunlight defines Free Cash Flow as cash from operating activities adjusted for changes in working capital (including changes in advances and funding commitments), capital expenditures, certain restricted cash items, business combination costs, and other items that management has determined are not reflective of cash generation in Sunlight's business.

Non-GAAP financial measures, including those listed above, should not be considered as standalone measures or as a substitute for any financial information prepared in accordance with GAAP. You should not place undue reliance on any non-GAAP financial measure. Potential investors are encouraged to review the reconciliations of the non-GAAP financial measures listed above to their most directly comparable GAAP financial measures, as provided on page 18 of this presentation.

## Selected Other Metrics

"*CAGR*" means compound annual growth rate.

"*Funded Volume*" refers to loans processed through Sunlight's financing platform that have been funded by the relevant originating entity.