2Q 2023 Financial Results

August 2, 2023

Safe harbor & forward looking statements

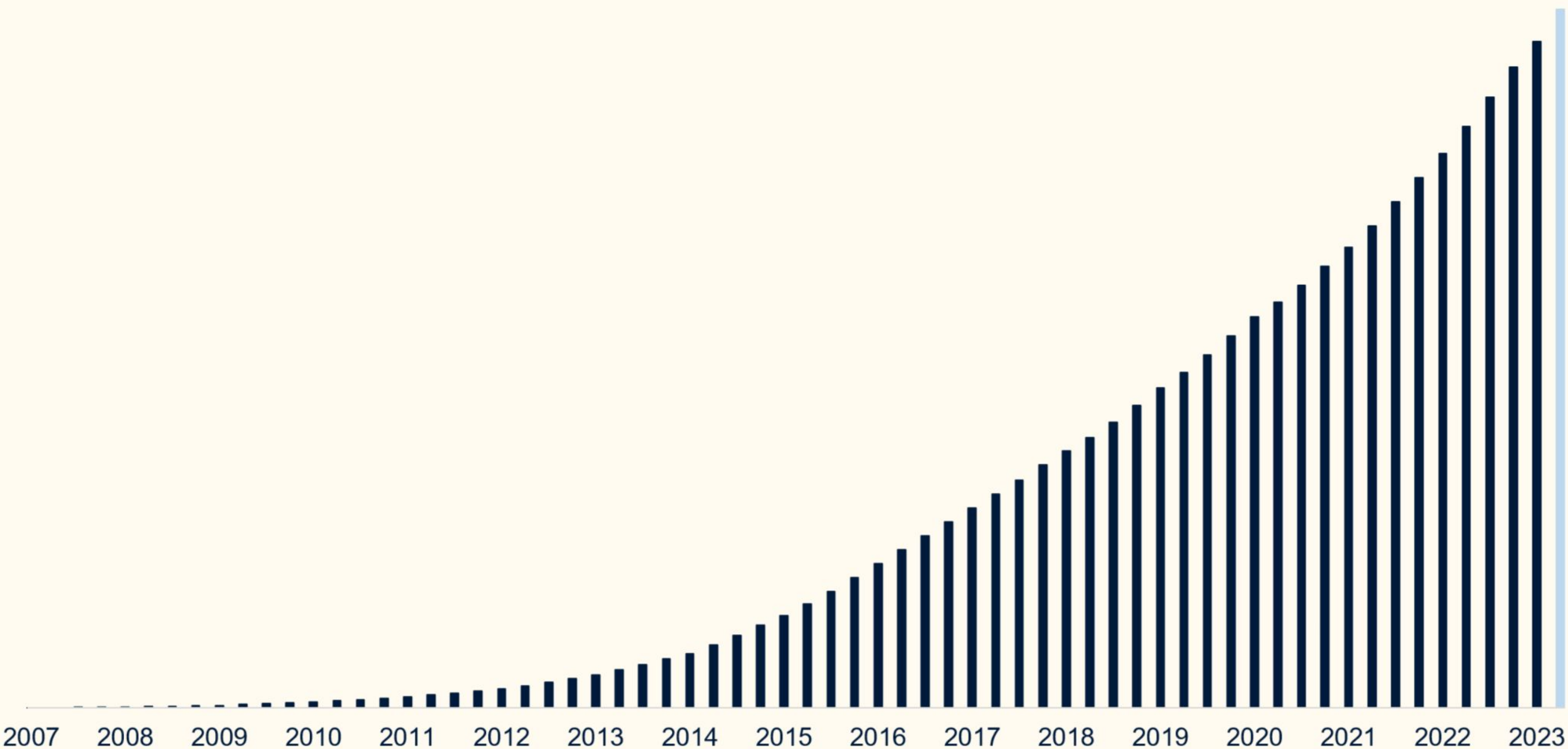
This communication contains forward-looking statements related to Sunrun (the "Company") within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements related to: the Company's financial and operating guidance and expectations; the Company's business plan, trajectory, 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.

ADVANCING STRATEGIC PRIORITIES

Sunrun is Growing its Base of Customers

869,464 Customers

20% year-over-year growth



Customer counts through 6/30/2023. 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.

Advancing Strategic Priorities

Accelerate Adoption and Lead the Market

➔ Rapidly transitioning to a storage-focused company, with 102.6 MWhrs of Storage Capacity Installed in Q2, a 35% y/y growth as storage attachment rates increase to 17.7% for new installations across the country. Sunrun now has 918 megawatt hours of storage capacity installed. Recent storage attachment rates on new sales are exceeding 30% nationally. In California, storage attachment rates are >80% (>30% for Backup Battery and ~50% for Sunrun Shift™).

➔ Grew Solar Energy Capacity Installed in Q2 by >20% y/y to 296.6 MW, exceeding the high-end of guidance, driven by strong outperformance in our Affiliate Partner channel. Sunrun's subscription offering is advantaged in the market.

➔ Approximately half of Sunrun's markets are growing more than 20% in Q2, demonstrating broad demand strength across our markets. Sales activities outside of California have been robust, growing by 25% in Q2 compared to the prior year, and this growth rate has been maintained through June and July.

➔ Sales in California are taking longer to increase following the transition to the Net Billing Tariff (NBT) than initially expected, but we have a strong customer value proposition and differentiated offering with Sunrun Shift™ and expect sales to increase as our teams optimize how they sell the offering and early-stage lead funnels rebuild following the pull-in. While volumes are lower than expected, the rapid uptake of higher margin battery systems is providing attractive value for Sunrun.

Advancing Strategic Priorities

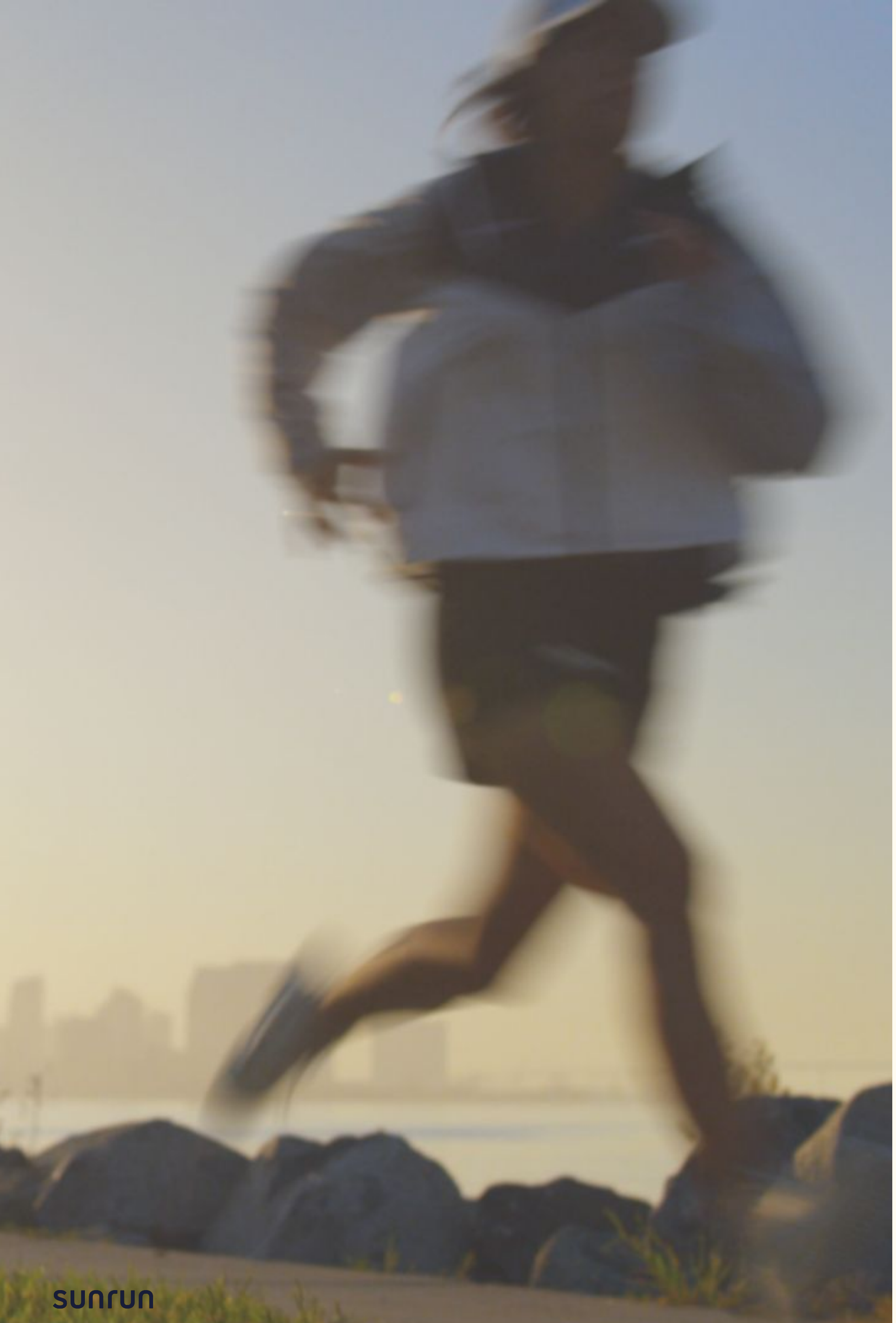
Driving Innovation, Expanding Differentiation

➔ Sunrun's leading work to aggregate distributed storage and form valuable power plants continues to advance. This summer, Sunrun expanded the program with PG&E to include 8,500 customers, with dispatches starting August 1.

➔ Lunar Energy unveiled their product offering in June. Sunrun is excited to partner with Lunar Energy as a key commercialization partner to accelerate home electrification. Sunrun expects Lunar Energy's battery offering to be available along with other solutions to customers in the coming quarters. Sunrun currently owns approximately 37% of Lunar Energy and has preferential access to supply.

➔ Leading with innovation and providing solutions customers want to power their lives and take control over their energy, Sunrun continues to see strong customer demand for advanced solutions, including SPAN smart electric panels, in-home electric vehicle chargers, and our advanced bi-directional charger co-developed with Ford for the F-150 Lightning.

➔ SnapNrack, the independent solar racking technology company owned by Sunrun, continues to innovate with leading solutions, including TopSpeed™ which provides fast, direct to deck mounting options for rooftop solar systems. SnapNrack's leading products are sold broadly to the industry, in addition to being used in Sunrun's installations.



Advancing Strategic Priorities

Operating Efficiently & Leading with Financial Strength

- Management is focused on maximizing value generation through a strong focus on margins and cash generation, balancing growth and market reach. Margins are expected to expand significantly in the coming quarters from these pricing, product and go-to-market decisions, along with operational efficiency and tailwinds from ITC adders and hardware cost deflation.

- We have recently made a meaningful investment in Artificial Intelligence. While it is too early to quantify benefits, we believe AI presents a unique opportunity to drive increased cost efficiency, reduced cycle times and improved customer experience.

- As an example of our efforts to prioritize margins and balance growth, we reduced our footprint in Arizona to shift to an Affiliate Partner-led strategy in addition to broadly optimizing our go-to-market strategy to encourage stronger uptake of storage nationally.

- Sunrun is committed to driving meaningful cash generation in the business. Achieving annual run-rate recurring cash generation of $200 to $500 million or higher is targeted in future quarters as tailwinds from the ITC adders, hardware cost deflation and shifting mix to higher-margin offerings are realized.

- Ended Q2 with $4.4 billion in Net Earning Assets, including $921 million of total cash.

Celebrating Our People

TOP 10
TOP 10
TOP 10
TOP 10

Top Performing Branches Across Safety, Customer Experience, and Efficiency

#1 Las Vegas

Tampa
Maryland North
New Jersey South

New Jersey Central
San Diego South
Bakersfield

Vermont
Massachusetts West
Orlando

FINANCIAL PERFORMANCE & OUTLOOK

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

39,755 Customer Additions in Q2

296.6 Megawatts of Solar Energy Capacity Installed in Q2, +20% year-over-year

102.6 Megawatt hours of Storage Capacity Installed in Q2, +35% year-over-year

869,464 Customers
+20% Year-over-Year

Networked Solar Energy Capacity of 6,204 Megawatts

Networked Storage Capacity of 918 Megawatt hours

$44,727 Subscriber Value in Q2

$32,406 Creation Cost in Q2

$12,321 Net Subscriber Value In Q2

+$321 from prior quarter,
still excludes all IRA adders

$399 million

Total Value Generated in Q2

$1.15 Billion

Annual Recurring Revenue from Subscribers as of 6/30/2023

$4.4 Billion

Net Earning Assets Including $921 million of cash as of 6/30/2023

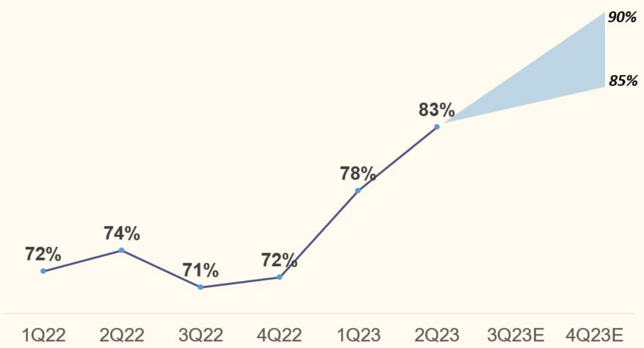
17.9 Years

Average Contract Life Remaining as of 6/30/2023

Strong Tailwinds From Product Mix & Cost Trends

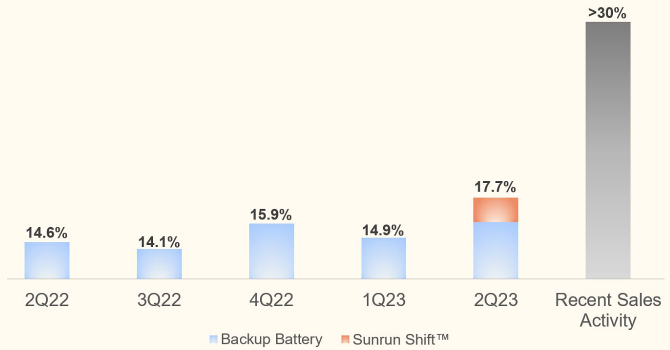
Subscription Mix Increasing

- ➔ Sunrun's Subscription model is advantaged in the market; Sunrun has more than 60% share of the Subscription market.
- ➔ Forthcoming IRA Adder benefits, which are only available under the Subscription model, should accelerate this trend further in the quarters ahead.



Storage Attachment Rates Accelerating and Batteries Carry Significantly Higher Margins

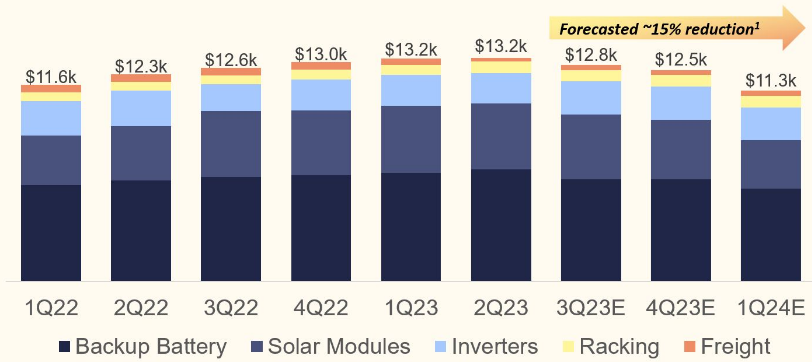
- ➔ Sunrun has now installed more than 65,000 battery systems representing over 918 MWhrs of stored energy capacity. Storage attachment rates are accelerating, approaching 18% in 2Q. Storage attachment rates vary significantly by geography, with Hawaii and Puerto Rico at ~100%, California at ~14% and with the rest of the country at ~2% for Q2 installations.
- ➔ Storage attachment rates on new sales are exceeding 30% nationally. In California, attachment rates are exceeding 80% (>30% for Backup Battery and ~50% for Sunrun Shift™).
- ➔ Systems with Backup Batteries are significantly accretive to Net Subscriber Values, adding several thousand dollars. As these systems are installed in late Q3 and more meaningfully in Q4, our Net Subscriber Value is expected to increase meaningfully.



Over 100 MWhrs of Storage Capacity installed in Q2, a 35% increase compared the prior year, as attachment rates now approach 18%

Recent sales activities seeing >30% storage attachment rates nationally

Significant Hardware Cost Reductions to be Realized in Coming Quarters

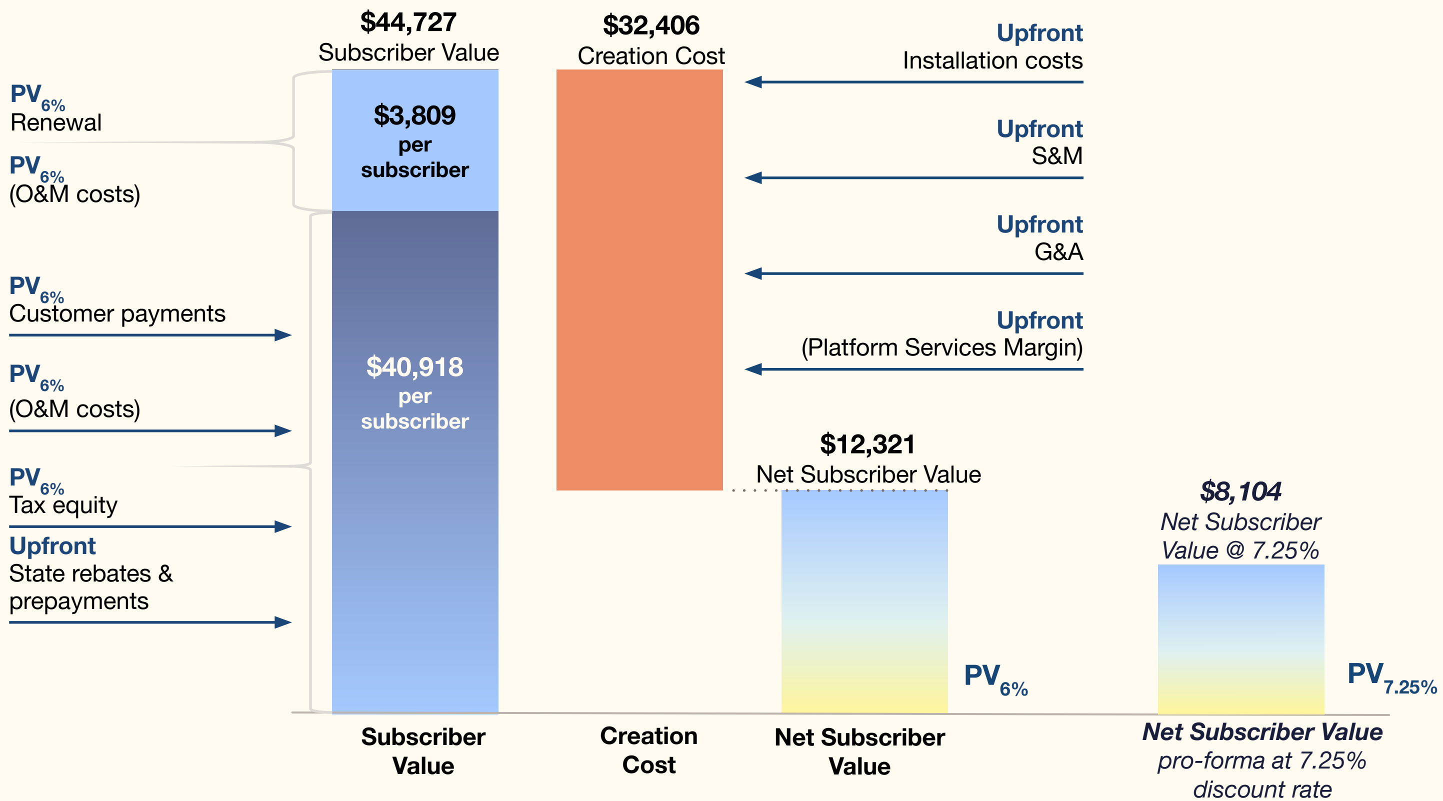


- ➔ Equipment & input cost trends are improving across all categories from modules, batteries, inverters and freight. Current procurement activities for modules and batteries are seeing a greater than 20% price reduction from recent highs.
- ➔ For a hypothetical 7.5 KW solar with a single backup battery system, we expect to realize a nearly 15% cost reduction for hardware over the next few quarters as we work through inventory and new pricing flows through our reported costs. We currently have >100 DOS on hand in our key equipment categories which we will reduce.
- ➔ Hardware cost reductions provide margin-expansion opportunities along with increased flexibility to adjust market pricing to optimize sales effectiveness.

(1) Material cost data represents a hypothetical Sunrun-built 7.5 KW system with one backup battery. Forecasted cost reductions are from 2Q23 to 1Q24E.

Total Value Generated of $399 million in Q2

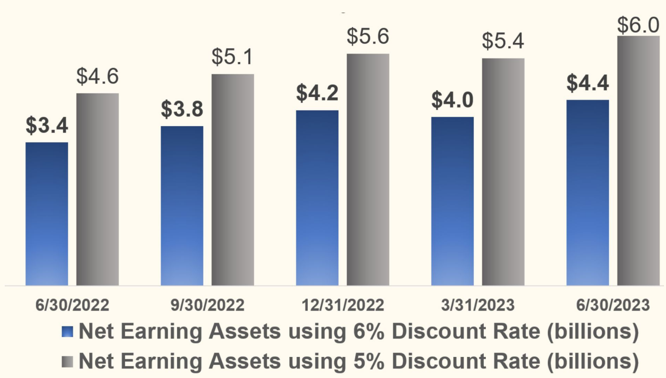
- 32,389 Subscriber Additions with Net Subscriber Value of $12,321 using a 6% discount rate, resulting in Total Value Generated of $399 million in Q2.
- We present metrics using a 6% discount rate for comparability purposes from period to period, in addition to providing a sensitivity table. However, we underwrite new assets and plan the business using a discount rate that exceeds our current capital cost. We currently see an asset-level cost of capital of approximately 7.25%. Pro-forma for a 7.25% discount rate, Subscriber Value would be $40,510, leading to a Net Subscriber Value of $8,104 and Total Value Generated of $262 million.



Q2 average subscriber system size was 7.6 KWs

See Appendix for glossary of terms and accompanying notes.

Net Earning Assets Increases to $4.4 Billion



- ➔ We have $12.6 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 $4.4 billion in present value, which we call Net Earning Assets. Net Earning Assets includes both recourse and non-recourse debt and total cash.
- ➔ Net Earning Assets excludes other assets, such as Inventory ($792m as of 2Q23) and a portion of systems currently under construction but not yet recognized as deployed and therefore not yet reflected in Gross Earning Assets.
- ➔ Existing assets are financed with fixed-rate debt or floating-rate debt where the vast majority of the base rate exposure is hedged with interest rate swaps. As such, adjusting the discount rate applied to the entire fleet of existing assets with current financing costs applicable to new asset originations is not appropriate. Net derivative assets (total derivative assets less total derivative liabilities) totaled $158.4 million at June 30, 2023 for $4.8 billion in notional amount of interest rate swaps.

($ in millions)	2Q22	3Q22	4Q22	1Q23	2Q23
Discount Rate used to calculate Gross Earning Assets	*5%*	*5%*	*5%*	*6%*	*6%*
Gross Earning Assets Contracted Period	$7,527	$8,160	$8,879	$8,584	$9,437
Gross Earning Assets Renewal Period	$3,236	$3,359	$3,547	$2,970	$3,122
Gross Earning Assets	**$10,763**	**$11,518**	**$12,426**	**$11,553**	**$12,559**
(-) Recourse Debt & Convertible Senior Notes	($943)	($898)	($898)	($946)	($946)
(-) Non-Recourse Debt	($6,660)	($7,087)	($7,501)	($7,981)	($8,658)
(-) Pass-through financing obligation	($316)	($308)	($306)	($303)	($300)
(+) Pro-forma debt adj. for debt within project equity funds(1)	$892	$883	$877	$868	$868
(+) Total cash	$863	$956	$953	$843	$921
Net Earning Assets, as reported	**$4,599**	**$5,064**	**$5,551**	**$4,035**	**$4,444**
Pro-forma adjustment reflecting 6% discount rate(2)	*($1,173)*	*($1,249)*	*($1,355)*	*na*	*na*
Net Earning Assets, pro-forma using 6% discount rate	**$3,426**	**$3,815**	**$4,196**	**$4,035**	**$4,444**

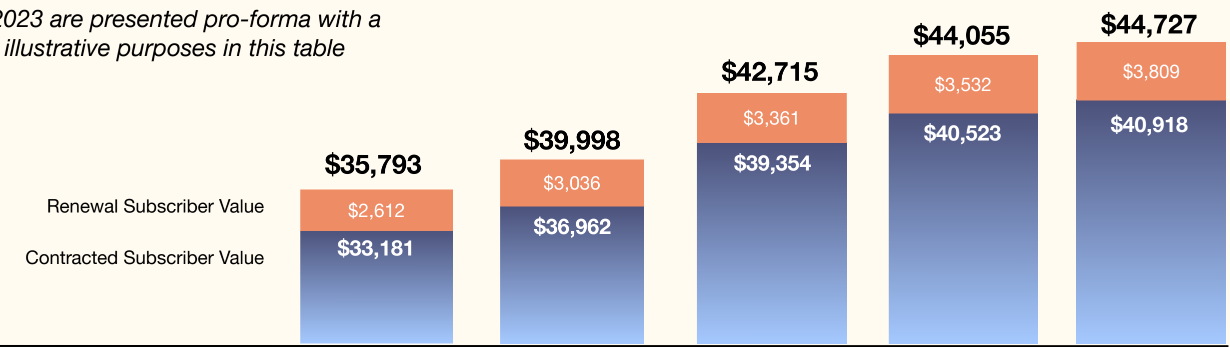
(1) Because estimated cash distributions to our project equity partners are deducted from Gross Earning Assets, a proportional share of the corresponding project level non-recourse debt is deducted from Net Earning Assets, as such debt would be serviced from cash flows already excluded from Gross Earning Assets. See Appendix for glossary of terms and accompanying notes.
(2) 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%.

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 79% to 84% 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



	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023
Approximate Cumulative Advance Rate[1] on Contracted Subscriber Value during period (6% discount rate)	~90-100%	~80-90%	~80-90%	~80-90%	~79-84%
Approximate Capital Cost During Period	~5-6%	~6.5-7.5%	~6.5-7.5%	~6.5-7.5%	~7.25%
Approximate Proceeds Raised[2] (Advance Rate x Contracted Subscriber Value)	~$31,800	~$31,600	~$33,600	~$34,400	$33,300
Creation Cost[3]	($30,802)	($30,187)	($29,757)	($32,055)	($32,406)

Subscriber Value Presented pro-forma at 6% Discount Rate for illustrative purposes[4] (2Q 2022 – 4Q 2022)

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.

Committed to Driving Meaningful Cash Generation

- ➔ Sunrun is committed to driving meaningful Cash Generation in the business. Cash Generation is the change in our unrestricted cash balance, deducting any increases (or crediting decreases) in parent-level recourse debt or equity, and with other atypical non-recurring adjustments, as warranted. It is the excess of all cash inflows (proceeds from tax equity providers and non-recourse lenders, along with state incentives and customer prepayments, plus revenues from existing customers) over all cash outflows (capital costs and fully burdened costs to acquire, install, and maintain solar systems). Cash Generation includes changes in working capital.
- ➔ Recent rapid interest rate increases, inflationary pressures, and working capital needs have prevented recent meaningful Cash Generation. Since the start of 2022, the increases in cost of capital reduced realizable proceeds on new installations by more than $1 billion. We responded with higher pricing, which was possible given escalating utility rates, and operating efficiency improvements. We also were adapting to higher input costs and a dynamic supply chain environment, which resulted in higher Creation Costs and a +$285m higher inventory balance over the same time period.

Achieving annual run-rate recurring Cash Generation of $200 to $500 million or higher is targeted in future quarters

Key Assumptions Underpinning Cash Generation Target:

- ➔ **Volume:** New installations grow approximately 15%, consistent with our long-term industry growth rate expectations
- ➔ **Backup Battery Mix:** Increasing backup battery attachment rates on installations to >30% by 2H24
- ➔ **ITC Adders:** Weighted average ITC of approximately 34% based on probability-weighted realization of IRA adders, fully captured in margin
- ➔ **Utility Prices:** Utility prices assumed to grow at historical spread to consumer price index
- ➔ **Policy:** No material changes to federal and state policy and status-quo utility regulatory regimes
- ➔ **Capital Costs:** Interest rates remain elevated around current levels, with total cost of capital in the 7% to 7.5% range
- ➔ **Tax Equity:** Tax equity cost and transferability economics consistent with market terms
- ➔ **Supply Chain:** Equipment costs consistent with price levels obtained on current procurement activities
- ➔ **Working Capital:** Working capital managed to approximately 60-80 days of supply
- ➔ **M&A:** Forecast assumes no material M&A or external strategic investments

Demonstrated 15+ Year Capital Markets Execution

➔ We have a strong track record of attracting low-cost capital from diverse sources. Our access to capital markets puts us in a position to offer more advantageous financing options to consumers while creating long-term value for investors.

➔ We have demonstrated industry-leading execution throughout our history, with the market and rating agencies increasingly recognizing both the high quality of residential solar assets as well as our track record as a sponsor.

Over $5 billion of Proceeds from Non-Recourse Financing to Fund Growth

	Trailing 12 Months through 6/30/2023
Proceeds from Equity Issuance	**$0**
Proceeds from Recourse Debt & Convertible Debt	**$31** million
Proceeds from Non-Recourse Debt (Non-recourse aggregation warehouse loan facility, asset backed securities, subordinated loans)	**$3,508** million
Proceeds from Tax Equity	**$1,641** million

Robust project finance runway

➔ Closed transactions and executed term sheets provide us with expected tax equity capacity to fund over 330 megawatts of projects for Subscribers beyond what was deployed through 2Q.

➔ Following transactions after the quarter closed, Sunrun has $400 million in unused commitments available in its $1.8 billion non-recourse senior revolving warehouse loan, to fund approximately 150 megawatts of projects for Subscribers.

Outlook

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

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

SOLAR ENERGY CAPACITY INSTALLED EXPECTED TO BE IN A RANGE OF **255 TO 275 MW** IN Q3.

NET SUBSCRIBER VALUE IS EXPECTED TO BE **MATERIALLY HIGHER** IN THE SECOND HALF COMPARED TO THE FIRST HALF OF 2023.

Appendix

Metric Sensitivity Tables

Gross Earning Assets Contracted Period

$ in millions, as of June 30, 2023

Default rate	Discount rate 4%	5%	6%	7%	8%
5%	$ 10,954	$ 10,000	$ 9,171	$ 8,447	$ 7,730
0%	$ 11,289	$ 10,298	$ 9,437	$ 8,686	$ 8,027

Gross Earning Assets Renewal Period

$ in millions, as of June 30, 2023

Purchase or Renewal rate	Discount rate 4%	5%	6%	7%	8%
80%	$ 4,015	$ 3,291	$ 2,708	$ 2,238	$ 1,856
90%	$ 4,626	$ 3,793	$ 3,122	$ 2,580	$ 2,140
100%	$ 5,237	$ 4,294	$ 3,535	$ 2,922	$ 2,452

Gross Earning Assets

$ in millions, as of June 30, 2023

Purchase or Renewal rate	Discount rate 4%	5%	6%	7%	8%
80%	$ 15,305	$ 13,589	$ 12,146	$ 10,923	$ 9,883
90%	$ 15,915	$ 14,091	$ 12,559	$ 11,266	$ 10,168
100%	$ 16,526	$ 14,592	$ 12,972	$ 11,608	$ 10,479

Net Earning Assets

$ in millions, as of June 30, 2023

	Gross Earning Assets Discount rate 4%	5%	6%	7%	8%
Net Earning Assets	$ 7,800	$ 5,976	$ 4,444	$ 3,150	$ 2,052
Contracted Net Earning Assets (excl. renewal)	$ 3,174	$ 2,183	$ 1,322	$ 571	$ (88)

Subscriber Value

$ per Subscriber, for Subscriber Additions in 2Q 2023

	Discount rate 5%	6%	7%
Subscriber Value Contracted Period	$ 43,869	$ 40,918	$ 38,402
Subscriber Value Renewal Period	$ 4,923	$ 3,809	$ 2,955
Total Subscriber Value	**$ 48,792**	**$ 44,727**	**$ 41,357**

See Appendix for glossary of terms and accompanying notes.

GAAP Income Statement

Consolidated GAAP Income Statement *($ in millions)*	FY2019	FY2020	FY2021	FY2022	1Q2023	2Q2023
Revenue:						
Customer agreements	$ 345	$ 433	$ 725	$ 872	$ 225	$ 274
Incentives	42	52	101	111	21	28
Customer agreements and incentives	388	484	827	983	246	302
Solar energy systems	283	270	471	914	229	202
Products	187	168	312	424	114	86
Solar energy systems and product sales	471	438	783	1,338	343	288
Total revenue	**859**	**922**	**1,610**	**2,321**	**590**	**590**
Operating expenses:						
Cost of customer agreements and incentives	280	386	699	844	237	269
Cost of solar energy systems and product sales	365	358	666	1,179	320	271
Sales and marketing	275	352	623	745	203	195
Research and development	24	20	23	21	5	5
General and administrative	125	267	259	189	52	56
Amortization of intangible assets	5	5	5	5	1	1
Total operating expenses	**1,074**	**1,387**	**2,276**	**2,984**	**818**	**796**
Loss from operations	**(216)**	**(465)**	**(666)**	**(662)**	**(228)**	**(206)**
Interest expense, net	174	231	328	446	143	157
Other expenses (income), net	9	(8)	(23)	(261)	25	(41)
Loss before income taxes	(399)	(688)	(971)	(847)	(395)	(322)
Income tax (benefit) expense	(8)	(61)	9	2	(60)	19
Net loss	(391)	(627)	(981)	(850)	(336)	(341)
Net loss attributable to NCI and non redeemable NCI	(417)	(454)	(901)	(1,023)	(95)	(396)
Net income (loss) attributable to common stockholders	**26**	**(173)**	**(79)**	**173**	**(240)**	**55**
EPS, diluted	**$ 0.21**	**$ (1.24)**	**$ (0.39)**	**$ 0.80**	**$ (1.12)**	**$ 0.25**
Wt avg basic shares	116	140	205	211	215	216
Wt avg diluted shares	124	140	205	219	215	222

Customer Agreements and Incentive 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.

See Appendix for glossary of terms.

GAAP Balance Sheet

Consolidated GAAP Balance Sheet *($ in millions)*	FY2019	FY2020	FY2021	FY2022	1Q2023	2Q2023
Cash	$ 270	$ 520	$ 618	$ 741	$ 629	$ 669
Restricted cash (current and long term)	94	188	233	213	215	252
Accounts receivable	78	95	146	214	219	215
Inventories	261	283	507	784	888	792
Prepaid expenses and other current assets	32	51	45	147	135	155
Solar energy systems, net	4,493	8,203	9,460	10,988	11,369	11,937
Property and equipment, net	57	62	57	67	75	110
Intangible assets, net	20	18	13	8	6	5
Goodwill	95	4,280	4,280	4,280	4,280	4,280
Other assets	408	682	1,126	1,828	1,914	2,076
Total assets	**5,806**	**14,383**	**16,483**	**19,269**	**19,728**	**20,491**
Accounts payable, accrued expenses and other liabilities	372	533	652	746	727	717
Other current liabilities	16	29	32	32	31	32
Deferred revenue (current and long-term)	729	799	874	1,096	1,098	1,142
Deferred grants (current and long-term)	227	222	215	209	207	204
Finance lease obligation (current and long-term)	23	24	22	29	34	63
Non-recourse debt (current and long-term)	2,015	4,565	5,901	7,501	7,981	8,658
Recourse debt & convertible notes (current and long-term)	239	231	602	898	946	946
Pass-through financing obligation (current and long-term)	339	340	321	306	303	300
Other liabilities	141	269	190	140	170	143
Deferred tax liabilities	66	82	102	133	63	91
Total liabilities	**4,168**	**7,094**	**8,911**	**11,090**	**11,561**	**12,296**
Redeemable noncontrolling interests in subsidiaries	307	560	595	610	605	610
Stockholders' equity	965	6,078	6,255	6,708	6,468	6,597
Noncontrolling interests in subsidiaries	367	651	723	861	1,095	988
Total liabilities and shareholders' equity	**5,806**	**14,383**	**16,483**	**19,269**	**19,728**	**20,491**

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).

$7.5 billion of our debt is non-recourse project debt and solely secured by the solar assets (at the end of 2022).

$306 million of pass-through financing obligations (at the end of 2022) 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 (such as National Grid's interests).

GAAP Cash Flow Statement

Consolidated GAAP Statement of Cash Flow (*$ in millions*)	FY2019	FY2020	FY2021	FY2022	1Q2023	2Q2023
Operating Activities:						
Net loss	$ (391)	$ (627)	$ (981)	$ (850)	$ (336)	$ (341)
Depreciation and amortization, net of amortization of deferred	187	243	388	451	123	127
Deferred income taxes	(8)	(61)	10	2	(60)	19
Stock-based compensation expense	26	171	211	111	28	28
Bonus liability coverted to RSUs	-	-	-	-	-	-
Interest on pass-through financing obligations	24	23	21	20	5	5
Reduction in pass-through financing obligations	(39)	(39)	(42)	(41)	(10)	(10)
Other noncash losses and expenses	26	51	61	(131)	58	15
Changes in operating assets and liabilities	(30)	(79)	(485)	(411)	(249)	(44)
Net cash provided by (used in) operating activities	**(204)**	**(318)**	**(817)**	**(849)**	**(439)**	**(202)**
Investing activities:						
Payments for the costs of solar energy systems	(815)	(967)	(1,678)	(1,993)	(506)	(693)
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)	(8)
Net cash used in investing activities	**(843)**	**(498)**	**(1,686)**	**(2,086)**	**(510)**	**(700)**
Financing activities:						
Proceeds from grants and state tax credits	2	6	-	-	4	-
Proceeds from recourse debt	185	183	1,110	1,165	143	213
Repayment of recourse debt	(193)	(192)	(758)	(871)	(96)	(184)
Proceeds from non-recourse debt	1,182	751	2,187	3,429	515	950
Repayment of non-recourse debt	(671)	(399)	(856)	(1,799)	(51)	(287)
Payment of debt fees	(29)	(14)	(54)	(63)	(1)	(16)
Proceeds from pass-through and other financing obligations	9	9	10	4	2	2
Repayment of pass-through financing and other obligations	(8)	-	(18)	-	-	-
Payment of finance lease obligations	(14)	(11)	(12)	(14)	(4)	(6)
Contributions received from NCI and redeemable NCI	712	818	1,239	1,415	398	360
Distributions paid to NCI and redeemable NCI	(77)	(111)	(196)	(218)	(64)	(57)
Acquisiton of non-controlling interests	(5)	(3)	(42)	(43)	(7)	(7)
Proceeds from exercises of stock options	16	49	36	33	1	13
Repurchase of common stock	(5)	-	-	-	-	-
Proceeds from shares issued in connection with a subscriptioi	-	75	-	-	-	-
Net cash provided by financing activities	**1,107**	**1,161**	**2,646**	**3,037**	**840**	**980**
Net change in cash and restricted cash	59	345	142	103	(110)	78
Cash and restricted cash, beginning of period	304	363	708	850	953	843
Cash and restricted cash, end of period	363	708	850	953	843	921
Cash paid for interest	99	120	225	300	94	105
Cash paid for taxes	-	-	-	-	-	-

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. Following adoption of ASC 606 in 2018, proceeds received related to ITC revenues are treated as operating 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 such as National Grid, 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.

Storage Capacity Installed represents the aggregate megawatt hour capacity of storage systems that were recognized as Deployments in the period.

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.

Networked Storage Capacity represents the aggregate megawatt hour capacity of our storage systems that have been recognized as Deployments, from the company's inception through the measurement date.

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.

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