



Creation Cost and Net Subscriber Value Calculations for 3Q24

This memo describes how Sunrun's Creation Cost and its components are calculated using information reported in GAAP financial statements and footnotes plus operating and other data reported by the company.

All calculations and inputs contained in this memo are also available in an Excel model which is posted on the Investor Relations website at investors.sunrun.com.

Creation Cost

Creation Cost is equal to the per customer amounts described below for Installation plus Sales and Marketing plus General and Administrative less Platform Services Margin.

Installation (Blended, includes both Sunrun Built and Affiliate Partner Built Systems)

Installation cost per customer is calculated based on installation costs, including both capitalized costs and expenses recognized in 'Cost of Customer Agreements and Incentives' in the period and are divided by the number of Subscriber Additions in the period. These costs exclude depreciation expense, costs associated with servicing the existing fleet of customers, and stock-based compensation expense.

Estimated fleet servicing costs over the full life of the customer agreement and estimated renewal period are already deducted from Subscriber Value and thus not included in Creation Costs. Installation cost excludes costs related to solar energy systems sold directly to customers for cash. The capitalized costs that are included and associated depreciation expense can be found in the notes to our consolidated financial statements and the applicable customer volume and estimated fleet servicing costs can be found in the calculation detail attached to this memo.

Sales and Marketing

Sales and marketing cost per customer is calculated based on (i) sales and marketing expenses incurred in the period and (ii) the increase in gross capitalized cost to obtain contracts. Sales and marketing expenses are adjusted to exclude certain non-cash items such as stock-based compensation expense, amortization of intangibles, and amortization of the capitalized cost to obtain customers. It also excludes certain items the company has deemed to be non-recurring. Expensed sales and marketing costs use total Customer Additions in the period to normalize these costs while capitalized costs are normalized by Subscriber Additions in the period.

General and Administrative

General and administrative cost per customer is calculated based on the general and administrative expenses incurred and are normalized by total Customer Additions in the period. It excludes certain non-cash items related to stock-based compensation expense and amortization of intangibles. It also excludes certain items the company has deemed to be non-recurring.

Platform Services Margin

Platform Services Margin per customer is the gross margin contribution from Sunrun's platform businesses including AEE, SnapNrack, and CEE plus gross margin earned on cash solar system sales and ancillary activities. It excludes certain non-cash items related to stock-based compensation expense and is normalized by Customer Additions in the period.



Creation Cost and Net Subscriber Value Calculations for 3Q24

(\$000s, except per customer, per watt and Megawatt)

Note: figures may not sum due to rounding

Net Subscriber Value for 3Q24

| | As reported at 6% discount rate | | pro-forma at 7.1% discount rate | |
|--|------------------------------------|----------------|------------------------------------|----------------|
| | per customer | per watt | per customer | per watt |
| Subscriber Value, Contracted Period | \$ 47,557 | \$ 6.54 | \$ 44,551 | \$ 6.13 |
| Subscriber Value, Renewal Period | \$ 3,666 | \$ 0.50 | \$ 2,784 | \$ 0.38 |
| Subscriber Value | \$ 51,223 | \$ 7.04 | \$ 47,335 | \$ 6.51 |
| (-) Creation Cost | \$(36,591) | \$(5.04) | \$(36,591) | \$(5.04) |
| Net Subscriber Value | \$ 14,632 | \$ 2.00 | \$ 10,744 | \$ 1.47 |
| <i>Memo: Contracted Net Subscriber Value</i> | \$ 10,966 | \$ 1.50 | \$ 7,960 | \$ 1.09 |

Creation Cost for 3Q24

| | per customer | per watt |
|------------------------------|------------------|----------------|
| Installation | \$ 26,419 | \$ 3.63 |
| Sales & Marketing | \$ 8,866 | \$ 1.22 |
| General & Administrative | \$ 1,508 | \$ 0.21 |
| (-) Platform Services Margin | \$(203) | \$(0.03) |
| Creation Cost | \$ 36,591 | \$ 5.04 |

The calculation of each component is summarized below:

Installation Costs

| | 3Q24 |
|--|-------------------|
| (+) Capitalized Costs (change in 'Total Solar Energy Systems' & Construction-in-Progress from BS Notes) | \$ 712,429 |
| (+) Cost of Customer Agreements and Incentives Revenue (from IS) | 308,382 |
| (-) Depreciation Expense for Solar Energy Systems (from BS Notes) | (141,180) |
| (-) Fleet Operating & Maintenance costs (expensed and capitalized costs, from Company Books) | (72,787) |
| (-) Stock Based Compensation expense in Cost of Customer Agreements and Incentives (from IS Notes) | (2,143) |
| (-) Stock Based Compensation expense capitalized to solar energy systems (from IS Notes) | (2,367) |
| (-) Amortization of Intangibles in Cost of Customer Agreements and Incentives (Company books) | (370) |
| (-) Other non-recurring items related to the acquisition of Vivint Solar and restructuring (Company books) | (194) |
| Total Installation Costs | \$ 801,770 |
| / Subscriber Additions | 30,348 |
| = Installation costs (per subscriber) | \$ 26,419 |
| / Solar Energy Capacity Installed for Subscribers | 220.7 |
| = Installation costs (per watt) | \$ 3.63 |

| Financial Statements Notes: Solar Energy Systems, net | 3Q24 | 2Q24 | Change |
|---|-------------------|-------------------|----------------|
| Solar energy system equipment costs | \$ 13,816,521 | \$ 13,405,177 | |
| Inverters (and inverters + batteries in later periods, see filings) | 2,366,478 | 2,164,021 | |
| Total solar energy systems (gross) | 16,182,999 | 15,569,198 | 613,801 |
| Less: accumulated depreciation and amortization | (2,582,654) | (2,441,474) | (141,180) |
| Add: construction-in-progress | 827,558 | 728,930 | 98,628 |
| Total solar energy systems, net | 14,427,903 | 13,856,654 | |

| Financial Statements Notes: Stock-Based Compensation Expense | 3Q24 |
|--|---------------|
| Cost of customer agreements and incentives | \$ 2,143 |
| Cost of solar energy systems and product sales | 463 |
| Sales & marketing | 11,453 |
| Research & development | 1,117 |
| General & administrative | 11,816 |
| Total | 26,992 |
| Stock-based compensation expense capitalized to solar energy systems | 2,367 |



Sales and Marketing Costs

| | | |
|---|-------------------|---------------|
| | <u>3Q24</u> | |
| Sales & Marketing Expense (from IS) | \$ 162,490 | |
| (-) Stock Based Compensation in S&M (from IS Notes) | (11,453) | |
| (-) Amortization of Intangibles in S&M (Company Books) | (1,002) | |
| (-) Amortization of Costs to obtain contracts - customer agreements (Company Books) | (20,806) | |
| (-) Other non-recurring items: related to the acquisition of Vivint Solar & restructuring (Company books) | (184) | |
| Sales & Marketing Operating Expenses | \$ 129,045 | |
| / Customer Additions | 31,910 | |
| = Sales & Marketing operating expense (per customer) | \$ 4,044 | |
| / Solar Energy Capacity Installed | 229.7 | |
| = Sales & Marketing operating expense (per watt) | \$ 0.56 | |
| | <u>3Q24</u> | <u>2Q24</u> |
| Cost to Obtain Customer Agreements (BS note for Other Assets) | 1,946,323 | 1,799,993 |
| Sales & Marketing Capitalized Costs related to new Subscribers | 146,330 | Change |
| | <u>3Q24</u> | |
| / Subscriber Additions | 30,348 | |
| = Sales & Marketing capitalized costs (per customer) | \$ 4,822 | |
| / Solar Energy Capacity Installed for Subscribers | 220.7 | |
| Sales & Marketing capitalized costs (per watt) | \$ 0.66 | |
| Sales & Marketing cost (per customer) | \$ 8,866 | |
| Sales & Marketing cost (per watt) | \$ 1.22 | |

General & Administrative Costs

| | | |
|---|------------------|--|
| | <u>3Q24</u> | |
| General & Administrative Expenses (from IS) | \$ 60,587 | |
| (-) Stock Based Compensation in G&A Expenses (from IS Notes) | (11,816) | |
| (-) Amortization of Intangibles in G&A Expenses (Company Books) | (71) | |
| (-) Other non-recurring items: acquisition related and restructuring expenses | (564) | |
| General & Administrative Costs | \$ 48,136 | |
| / Customer Additions | 31,910 | |
| = General & Administrative costs (per customer) | \$ 1,508 | |
| / Solar Energy Capacity Installed | 229.7 | |
| = General & Administrative costs (per watt) | \$ 0.21 | |

Platform Services Margin

| | | |
|---|-----------------|--|
| | <u>3Q24</u> | |
| Solar energy systems and product sales revenue (from IS) | \$ 131,312 | |
| (-) Cost of solar energy systems and product sales (from IS) | (125,312) | |
| (+) Stock Based Compensation in Cost of solar energy system and product sales (from IS Notes) | 463 | |
| (+) Other non-recurring items: related to the acquisition of Vivint Solar & restructuring (Company books) | 13 | |
| Platform Services Margin | \$ 6,476 | |
| / Customer Additions | 31,910 | |
| = Platform Services Margin (per customer) | \$ 203 | |
| / Solar Energy Capacity Installed | 229.7 | |
| = Platform Services Margin (per watt) | \$ 0.03 | |