

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended September 30, 2025  
OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission File Number: 001-37511**

**Sunrun Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**26-2841711**  
(I.R.S. Employer  
Identification No.)

**600 California Street, Suite 1800  
San Francisco, California 94108**  
(Address of principal executive offices and Zip Code)

**(415) 580-6900**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                        | Trading Symbol(s) | Name of each exchange on which registered |
|--------------------------------------------|-------------------|-------------------------------------------|
| Common Stock, \$0.0001 par value per share | RUN               | Nasdaq Global Select Market               |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

|                         |                                     |                           |                          |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/>            | Smaller reporting company | <input type="checkbox"/> |
|                         |                                     | Emerging growth company   | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 3, 2025, the number of shares of the registrant's common stock outstanding was 232,041,826.

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The discussion in this Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Private Securities Litigation Reform Act of 1995, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "goals," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," "continue," "likely," or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- the potential impact of regulatory and policy development and changes;
- the availability of rebates, tax credits and other financial incentives, and decreases to federal battery and solar tax credits;
- the potential impact of volatile or rising interest rates on our interest expense;
- our industry's, and specifically our, continued ability to manage costs (including, but not limited to, equipment costs) associated with battery and solar service offerings;
- potential changes in the retail price of utility-generated electricity or electricity from other energy sources;
- the sufficiency of our cash, investment fund commitments and available borrowings to meet our anticipated cash needs;
- our need and ability to raise capital, refinance existing debt, and finance our operations from new and existing investors;
- our investment in research and development and new product offerings;
- determinations by the Internal Revenue Service ("IRS") of the creditable basis of our battery storage and solar energy systems;
- our ability to manage our supply chains and distribution channels and the impact of natural disasters, supply chain disruptions, inflation, tariffs and trade barriers, export regulations, bank failures, geopolitical conflicts, macroeconomic conditions, and other events beyond our control on our business and operations, results of operations, and financial position;
- our business plan and our ability to effectively manage our growth, including our rate of revenue growth;
- our ability to further penetrate existing markets, expand into new markets and our expectations regarding market growth (including, but not limited to, expected cancellation rates);
- our expectations concerning relationships with third parties, including the attraction, retention and continued existence of qualified battery and solar partners;
- the impact of seasonality on our business;
- our strategic partnerships and investments and the expected benefits of such partnerships and investments;
- our ability to realize the anticipated benefits of past or future investments, strategic transactions, or acquisitions, and risk that the integration of these acquisitions may disrupt our business and management;
- our ability to protect our intellectual property and customer data, as well as to maintain our brand;
- the willingness and ability of our battery and solar partners to fulfill their respective warranty and other contractual obligations;

- our ability to renew or replace expiring, canceled, or terminated Customer Agreements at favorable rates or on a long-term basis;
- the ability of our systems to operate or deliver energy for any reason, including if interconnection or transmission facilities on which we rely become unavailable;
- our expectations regarding certain performance objectives and the renewal rates and purchase value of our systems after expiration of our Customer Agreements;
- the calculation of certain of our key financial and operating metrics and accounting policies; and
- our ability to capitalize on the market opportunities created by the electrification of the U.S. economy with renewable energy.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the section titled “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. These risks and uncertainties may be amplified by evolving economic and regulatory conditions, including increasing or volatile interest rates. The extent to which these risks and uncertainties impact our business, operations, and financial results, including the duration and magnitude of such effects, will depend on numerous factors, including, but not limited to, the duration, rapidity, and intensity of these conditions, how widespread their impact is and will continue to be on our industry, and how quickly and to what extent more predictable and stable economic conditions resume. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in these forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Quarterly Report on Form 10-Q to conform these statements to actual results or to changes in our expectations, except as required by law.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed with the Securities and Exchange Commission (the “SEC”) as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, levels of activity, performance, and events and circumstances may be materially different from what we expect.

## SELECTED RISKS AFFECTING OUR BUSINESS

Investing in our common stock involves numerous risks, including the risks described in Part II, Item 1A. “Risk Factors”, of this Quarterly Report on Form 10-Q. Below are some of these risks, any one of which could materially adversely affect our business, financial condition, results of operations and prospects.

### Selected Risks Related to the Battery and Solar Industry

- The battery storage and solar energy industry is an emerging market which is constantly evolving and may not develop to the size or at the rate we expect.
- We have historically benefited from declining costs in our industry, and our business and financial results may be harmed as a result of recent, and any continued increases in, costs associated with our battery and solar service offerings and any failure of these costs to continue declining as we currently expect. If we do not reduce our cost structure in the future, our ability to continue to be profitable may be impaired.
- We face competition from traditional energy companies as well as battery, solar, and other renewable energy companies.

### Selected Risks Related to Our Operating Structure and Financing Activities

- We need to raise capital to finance the continued growth of our operations and solar service business. If capital is not available to us on acceptable terms, as and when needed, our business and prospects would be materially and adversely impacted. In addition, our business is affected by general economic conditions and related uncertainties affecting markets in which we operate. Volatility in current economic conditions could adversely impact our business, including our ability to raise financing.
- Volatility and increases in interest rates raise our cost of capital and may adversely impact our business.
- We expect to incur substantially more debt in the future, which could intensify the risks to our business.

### Selected Risks Related to Regulation and Policy

- The customer value proposition for distributed solar, storage, and home electrification products is influenced by a number of factors, including, but not limited to, the retail price of electricity, the valuation of electricity not consumed on site and exported to the grid, the rate design mechanisms of customers' utility bills, various policies related to the permitting and interconnection costs of our products to homes and the grid, the availability of incentives for solar, batteries, and other electrification products, and other policies which allow aggregations of our systems to provide the grid value. Significant changes to any of these factors may impact the competitiveness of our service offerings to customers.
- Electric utility statutes and regulations and changes to such statutes or regulations may present technical, regulatory, and economic barriers to the purchase and use of our solar service offerings that may significantly reduce demand for such offerings.
- Regulations and policies related to rate design could deter potential customers from purchasing our solar service offerings, reduce the value of the electricity our systems produce, and reduce any savings that our customers could realize from our solar service offerings.
- Trade policies and international relations between the U.S. and key solar manufacturing countries continue to evolve. The imposition of new duties, tariffs, or other trade barriers—whether by the U.S. government or in retaliation by other nations—may disrupt supply chains, increase costs, and create uncertainty in our business operations.

### Selected Risks Related to Our Business Operations

- Our growth depends in part on the success of our relationships with third parties, including our solar partners.
- We and our solar partners depend on a limited number of suppliers of solar panels, batteries, and other system components to adequately meet anticipated demand for our solar and storage service offerings. Any shortage, bottlenecks, delay, detentions, or component price change from these suppliers, or the acquisition of any of these suppliers by a competitor, could result in sales and installation delays, cancellations and loss of market share.
- If we fail to manage our recent and future growth effectively, we may be unable to execute our business plan, maintain high levels of customer service, or adequately address competitive challenges.

- We may not realize the anticipated benefits of past or future investments, strategic transactions, or acquisitions, and integration of these acquisitions may disrupt our business and our management team.
- The failure to hire and retain a sufficient number of employees and service providers in key functions would constrain our growth and our ability to timely complete customers' Projects and successfully manage customer accounts.
- Regulators may impose rules on the type of electricians qualified to install and service our solar and battery systems in California, which may result in workforce shortages, operational delays, and increased costs.
- Our results of operations may fluctuate from quarter to quarter, which could make our future performance difficult to predict and could cause our results of operations for a particular period to fall below expectations, resulting in a decline in the price of our common stock.
- Our actual financial results may differ materially from any guidance we may publish from time to time.
- Failure or perceived failure to comply with existing or future laws, regulations, contracts, self-regulatory schemes, standards, and other obligations related to data privacy and security (including security incidents) could harm our business. Compliance or the actual or perceived failure to comply with such obligations could increase the costs of our products/services, limit their use or adoption, and otherwise negatively affect our operating results and business.

#### **Selected Risks Related to Taxes and Accounting**

- Our ability to provide our battery and solar service offerings to customers on an economically viable basis depends in part on our ability to finance these systems with fund investors who seek particular tax and other benefits.
- If the IRS makes determinations that the creditable basis of our solar energy systems is materially lower than what we have claimed, we may have to pay significant amounts to our fund investors, and our business, financial condition, and prospects may be materially and adversely affected.
- Our business currently depends in part on the availability of utility rebates, tax credits and other benefits, tax exemptions and exclusions, and other financial incentives, on the federal, state, and/or local levels. We may be adversely affected by changes in, and application of, these laws or other incentives to us, and the expiration, elimination or reduction of these benefits could adversely impact our business.

If we are unable to adequately address these and other risks we face, our business may be harmed.

**Sunrun Inc.**  
**Consolidated Balance Sheets**  
(In Thousands, Except Share Par Values)  
(Unaudited)

|                                                                                                                                                                                                                               | September 30, 2025   | December 31, 2024    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Assets</b>                                                                                                                                                                                                                 |                      |                      |
| <b>Current assets:</b>                                                                                                                                                                                                        |                      |                      |
| Cash                                                                                                                                                                                                                          | \$ 709,148           | \$ 574,956           |
| Restricted cash                                                                                                                                                                                                               | 446,460              | 372,312              |
| Accounts receivable (net of allowances for credit losses of \$18,186 and \$15,420 as of September 30, 2025 and December 31, 2024, respectively)                                                                               | 248,279              | 170,706              |
| Inventories                                                                                                                                                                                                                   | 569,987              | 402,083              |
| Prepaid expenses and other current assets                                                                                                                                                                                     | 96,597               | 202,579              |
| <b>Total current assets</b>                                                                                                                                                                                                   | <b>2,070,471</b>     | <b>1,722,636</b>     |
| Restricted cash                                                                                                                                                                                                               | 148                  | 148                  |
| Solar energy systems, net                                                                                                                                                                                                     | 16,599,888           | 15,032,115           |
| Property and equipment, net                                                                                                                                                                                                   | 86,813               | 121,239              |
| Other assets                                                                                                                                                                                                                  | 3,468,162            | 3,021,746            |
| <b>Total assets <sup>(1)</sup></b>                                                                                                                                                                                            | <b>\$ 22,225,482</b> | <b>\$ 19,897,884</b> |
| <b>Liabilities and total equity</b>                                                                                                                                                                                           |                      |                      |
| <b>Current liabilities:</b>                                                                                                                                                                                                   |                      |                      |
| Accounts payable                                                                                                                                                                                                              | \$ 336,547           | \$ 354,214           |
| Distributions payable to noncontrolling interests and redeemable noncontrolling interests                                                                                                                                     | 44,122               | 41,464               |
| Accrued expenses and other liabilities                                                                                                                                                                                        | 539,419              | 543,752              |
| Deferred revenue, current portion                                                                                                                                                                                             | 159,623              | 129,442              |
| Deferred grants, current portion                                                                                                                                                                                              | 4,178                | 7,900                |
| Finance lease obligations, current portion                                                                                                                                                                                    | 25,360               | 26,045               |
| Non-recourse debt, current portion                                                                                                                                                                                            | 311,531              | 231,665              |
| <b>Total current liabilities</b>                                                                                                                                                                                              | <b>1,420,780</b>     | <b>1,334,482</b>     |
| Deferred revenue, net of current portion                                                                                                                                                                                      | 1,321,558            | 1,208,905            |
| Deferred grants, net of current portion                                                                                                                                                                                       | 191,340              | 196,535              |
| Finance lease obligations, net of current portion                                                                                                                                                                             | 44,336               | 66,139               |
| Convertible senior notes                                                                                                                                                                                                      | 473,234              | 479,420              |
| Line of credit                                                                                                                                                                                                                | 319,210              | 384,226              |
| Non-recourse debt, net of current portion                                                                                                                                                                                     | 13,517,611           | 11,806,181           |
| Other liabilities                                                                                                                                                                                                             | 169,324              | 119,846              |
| Deferred tax liabilities                                                                                                                                                                                                      | 123,510              | 137,940              |
| <b>Total liabilities <sup>(1)</sup></b>                                                                                                                                                                                       | <b>17,580,903</b>    | <b>15,733,674</b>    |
| Commitments and contingencies (Note 14)                                                                                                                                                                                       |                      |                      |
| Redeemable noncontrolling interests                                                                                                                                                                                           | 729,861              | 624,159              |
| <b>Stockholders' equity:</b>                                                                                                                                                                                                  |                      |                      |
| Preferred stock, \$0.0001 par value—authorized, 200,000 shares as of September 30, 2025 and December 31, 2024; no shares issued and outstanding as of September 30, 2025 and December 31, 2024                                | —                    | —                    |
| Common stock, \$0.0001 par value—authorized, 2,000,000 shares as of September 30, 2025 and December 31, 2024; issued and outstanding, 231,605 and 225,662 shares as of September 30, 2025 and December 31, 2024, respectively | 23                   | 23                   |
| Additional paid-in capital                                                                                                                                                                                                    | 6,867,123            | 6,747,236            |
| Accumulated other comprehensive income                                                                                                                                                                                        | 50,249               | 86,814               |
| Retained earnings                                                                                                                                                                                                             | (3,933,493)          | (4,279,866)          |
| <b>Total stockholders' equity</b>                                                                                                                                                                                             | <b>2,983,902</b>     | <b>2,554,207</b>     |
| Noncontrolling interests                                                                                                                                                                                                      | 930,816              | 985,844              |
| <b>Total equity</b>                                                                                                                                                                                                           | <b>3,914,718</b>     | <b>3,540,051</b>     |
| <b>Total liabilities, redeemable noncontrolling interests and total equity</b>                                                                                                                                                | <b>\$ 22,225,482</b> | <b>\$ 19,897,884</b> |

- 1) The Company's consolidated assets as of September 30, 2025 and December 31, 2024 include \$14,950,023 and \$13,290,216, respectively, in assets of variable interest entities ("VIEs") that can only be used to settle obligations of the VIEs. These assets include solar energy systems, net as of September 30, 2025 and December 31, 2024 of \$13,537,400 and \$12,062,819, respectively; cash as of September 30, 2025 and December 31, 2024 of \$307,697 and \$420,756, respectively; restricted cash as of September 30, 2025 and December 31, 2024 of \$54,064 and \$57,892, respectively; accounts receivable, net as of September 30, 2025 and December 31, 2024 of \$129,872 and \$92,259, respectively; inventories as of September 30, 2025 and December 31, 2024 of \$136,189 and \$62,581, respectively; prepaid expenses and other current assets as of September 30, 2025 and December 31, 2024 of \$7,207 and \$7,616, respectively; and other assets as of September 30, 2025 and December 31, 2024 of \$777,594 and \$586,293, respectively. The Company's consolidated liabilities as of September 30, 2025 and December 31, 2024 include \$2,527,643 and \$2,343,040, respectively, in liabilities of VIEs whose creditors have no recourse to the Company. These liabilities include accounts payable as of September 30, 2025 and December 31, 2024 of \$5,234 and \$5,400, respectively; distributions payable to noncontrolling interests and redeemable noncontrolling interests as of September 30, 2025 and December 31, 2024 of \$44,123 and \$41,465, respectively; accrued expenses and other current liabilities as of September 30, 2025 and December 31, 2024 of \$48,576 and \$42,997, respectively; deferred revenue as of September 30, 2025 and December 31, 2024 of \$986,213 and \$826,854, respectively; non-recourse debt as of September 30, 2025 and December 31, 2024 of \$1,423,076 and \$1,407,784, respectively; and other liabilities as of September 30, 2025 and December 31, 2024 of \$20,421 and \$18,540, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

**Sunrun Inc.**  
**Consolidated Statements of Operations**  
(In Thousands, Except Per Share Amounts)  
(Unaudited)

|                                                                                                         | <b>Three Months Ended September 30,</b> |             | <b>Nine Months Ended September 30,</b> |              |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------|----------------------------------------|--------------|
|                                                                                                         | <b>2025</b>                             | <b>2024</b> | <b>2025</b>                            | <b>2024</b>  |
| <b>Revenue:</b>                                                                                         |                                         |             |                                        |              |
| Customer agreements and incentives                                                                      | \$ 491,600                              | \$ 405,861  | \$ 1,352,520                           | \$ 1,116,653 |
| Solar energy systems and product sales                                                                  | 232,957                                 | 131,312     | 445,644                                | 402,574      |
| Total revenue                                                                                           | 724,557                                 | 537,173     | 1,798,164                              | 1,519,227    |
| <b>Operating expenses:</b>                                                                              |                                         |             |                                        |              |
| Cost of customer agreements and incentives                                                              | 315,811                                 | 308,382     | 969,816                                | 876,581      |
| Cost of solar energy systems and product sales                                                          | 165,480                                 | 125,312     | 366,422                                | 411,591      |
| Sales and marketing                                                                                     | 164,798                                 | 162,490     | 463,247                                | 466,411      |
| Research and development                                                                                | 9,267                                   | 8,180       | 27,309                                 | 30,510       |
| General and administrative                                                                              | 65,550                                  | 60,587      | 194,856                                | 173,082      |
| Total operating expenses                                                                                | 720,906                                 | 664,951     | 2,021,650                              | 1,958,175    |
| Income (Loss) from operations                                                                           | 3,651                                   | (127,778)   | (223,486)                              | (438,948)    |
| Interest expense, net                                                                                   | (265,788)                               | (215,615)   | (740,359)                              | (614,981)    |
| Other (expense) income, net                                                                             | (17,880)                                | (82,598)    | (77,807)                               | 71,710       |
| Loss before income taxes                                                                                | (280,017)                               | (425,991)   | (1,041,652)                            | (982,219)    |
| Income tax benefit                                                                                      | (2,172)                                 | (13,803)    | (207,652)                              | (26,953)     |
| Net loss                                                                                                | (277,845)                               | (412,188)   | (834,000)                              | (955,266)    |
| Net loss attributable to noncontrolling interests and redeemable noncontrolling interests               | (294,434)                               | (328,422)   | (1,180,373)                            | (922,756)    |
| Net income (loss) attributable to common stockholders                                                   | \$ 16,589                               | \$ (83,766) | \$ 346,373                             | \$ (32,510)  |
| Net income (loss) per share attributable to common stockholders                                         |                                         |             |                                        |              |
| Basic                                                                                                   | \$ 0.07                                 | \$ (0.37)   | \$ 1.51                                | \$ (0.15)    |
| Diluted                                                                                                 | \$ 0.06                                 | \$ (0.37)   | \$ 1.33                                | \$ (0.15)    |
| Weighted average shares used to compute net income (loss) per share attributable to common stockholders |                                         |             |                                        |              |
| Basic                                                                                                   | 230,980                                 | 223,695     | 228,868                                | 222,078      |
| Diluted                                                                                                 | 267,473                                 | 223,695     | 262,196                                | 222,078      |

The accompanying notes are an integral part of these consolidated financial statements.

**Sunrun Inc.**  
**Consolidated Statements of Comprehensive Income (Loss)**  
(In Thousands)  
(Unaudited)

|                                                                                      | <b>Three Months Ended September 30,</b> |                     | <b>Nine Months Ended September 30,</b> |                    |
|--------------------------------------------------------------------------------------|-----------------------------------------|---------------------|----------------------------------------|--------------------|
|                                                                                      | <b>2025</b>                             | <b>2024</b>         | <b>2025</b>                            | <b>2024</b>        |
| Net income (loss) attributable to common stockholders                                | \$ 16,589                               | \$ (83,766)         | \$ 346,373                             | \$ (32,510)        |
| Unrealized gain (loss) on derivatives, net of income taxes                           | 713                                     | (50,708)            | (25,971)                               | 3,568              |
| Adjustment for net gain on derivatives recognized into earnings, net of income taxes | (3,356)                                 | (6,687)             | (10,594)                               | (21,055)           |
| Other comprehensive loss                                                             | (2,643)                                 | (57,395)            | (36,565)                               | (17,487)           |
| Comprehensive income (loss)                                                          | <u>\$ 13,946</u>                        | <u>\$ (141,161)</u> | <u>\$ 309,808</u>                      | <u>\$ (49,997)</u> |

**Sunrun Inc.**  
**Consolidated Statements of Redeemable Noncontrolling Interests and Equity**  
**Three Months Ended September 30, 2025 and 2024**  
(In Thousands)  
(Unaudited)

| Three Months Ended September 30, 2025                                               |                                           |              |        |                                  |                                                        |                      |                                  |                             |                 |
|-------------------------------------------------------------------------------------|-------------------------------------------|--------------|--------|----------------------------------|--------------------------------------------------------|----------------------|----------------------------------|-----------------------------|-----------------|
|                                                                                     | Redeemable<br>Noncontrolling<br>Interests | Common Stock |        | Additional<br>Paid-In<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Retained<br>Earnings | Total<br>Stockholders'<br>Equity | Noncontrolling<br>Interests | Total<br>Equity |
|                                                                                     |                                           | Shares       | Amount |                                  |                                                        |                      |                                  |                             |                 |
| Balance at June 30, 2025                                                            | \$ 715,585                                | 230,321      | \$ 23  | \$ 6,823,894                     | \$ 52,892                                              | \$ (3,950,082)       | \$ 2,926,727                     | \$ 803,910                  | \$ 3,730,637    |
| Exercise of stock options                                                           | —                                         | 53           | —      | 607                              | —                                                      | —                    | 607                              | —                           | 607             |
| Issuance of restricted stock units, net of tax withholdings                         | —                                         | 1,231        | —      | —                                | —                                                      | —                    | —                                | —                           | —               |
| Stock-based compensation                                                            | —                                         | —            | —      | 29,613                           | —                                                      | —                    | 29,613                           | —                           | 29,613          |
| Contributions from noncontrolling interests and redeemable noncontrolling interests | 39,027                                    | —            | —      | —                                | —                                                      | —                    | —                                | 485,788                     | 485,788         |
| Distributions to noncontrolling interests and redeemable noncontrolling interests   | (17,524)                                  | —            | —      | —                                | —                                                      | —                    | —                                | (44,181)                    | (44,181)        |
| Net (loss) income                                                                   | (7,227)                                   | —            | —      | —                                | —                                                      | 16,589               | 16,589                           | (287,207)                   | (270,618)       |
| Acquisition of noncontrolling interests                                             | —                                         | —            | —      | 13,009                           | —                                                      | —                    | 13,009                           | (27,494)                    | (14,485)        |
| Other comprehensive loss, net of income taxes                                       | —                                         | —            | —      | —                                | (2,643)                                                | —                    | (2,643)                          | —                           | (2,643)         |
| Balance at September 30, 2025                                                       | \$ 729,861                                | 231,605      | \$ 23  | \$ 6,867,123                     | \$ 50,249                                              | \$ (3,933,493)       | \$ 2,983,902                     | \$ 930,816                  | \$ 3,914,718    |

  

| Three Months Ended September 30, 2024                                               |                                           |              |        |                                  |                                                        |                      |                                  |                             |                 |
|-------------------------------------------------------------------------------------|-------------------------------------------|--------------|--------|----------------------------------|--------------------------------------------------------|----------------------|----------------------------------|-----------------------------|-----------------|
|                                                                                     | Redeemable<br>Noncontrolling<br>Interests | Common Stock |        | Additional<br>Paid-In<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Retained<br>Earnings | Total<br>Stockholders'<br>Equity | Noncontrolling<br>Interests | Total<br>Equity |
|                                                                                     |                                           | Shares       | Amount |                                  |                                                        |                      |                                  |                             |                 |
| Balance at June 30, 2024                                                            | \$ 635,865                                | 223,298      | \$ 22  | \$ 6,653,582                     | \$ 94,584                                              | \$ (1,382,443)       | \$ 5,365,745                     | \$ 1,046,862                | \$ 6,412,607    |
| Exercise of stock options                                                           | —                                         | 106          | —      | 976                              | —                                                      | —                    | 976                              | —                           | 976             |
| Issuance of restricted stock units, net of tax withholdings                         | —                                         | 683          | —      | —                                | —                                                      | —                    | —                                | —                           | —               |
| Stock-based compensation                                                            | —                                         | —            | —      | 26,249                           | —                                                      | —                    | 26,249                           | —                           | 26,249          |
| Contributions from noncontrolling interests and redeemable noncontrolling interests | —                                         | —            | —      | —                                | —                                                      | —                    | —                                | 494,569                     | 494,569         |
| Distributions to noncontrolling interests and redeemable noncontrolling interests   | (17,330)                                  | —            | —      | —                                | —                                                      | —                    | —                                | (47,460)                    | (47,460)        |
| Net income (loss)                                                                   | 15,282                                    | —            | —      | —                                | —                                                      | (83,766)             | (83,766)                         | (343,704)                   | (427,470)       |
| Acquisition of noncontrolling interest                                              | —                                         | —            | —      | 26,224                           | —                                                      | —                    | 26,224                           | (27,724)                    | (1,500)         |
| Other comprehensive loss, net of income taxes                                       | —                                         | —            | —      | —                                | (57,395)                                               | —                    | (57,395)                         | —                           | (57,395)        |
| Balance at September 30, 2024                                                       | \$ 633,817                                | 224,087      | \$ 22  | \$ 6,707,031                     | \$ 37,189                                              | \$ (1,466,209)       | \$ 5,278,033                     | \$ 1,122,543                | \$ 6,400,576    |

**Sunrun Inc.**  
**Consolidated Statements of Redeemable Noncontrolling Interests and Equity**  
**Nine Months Ended September 30, 2025 and 2024**  
**(In Thousands)**  
**(Unaudited)**

| Nine Months Ended September 30, 2025                                                |                                           |              |        |                                  |                                                        |                      |                                  |                             |                 |
|-------------------------------------------------------------------------------------|-------------------------------------------|--------------|--------|----------------------------------|--------------------------------------------------------|----------------------|----------------------------------|-----------------------------|-----------------|
|                                                                                     | Redeemable<br>Noncontrolling<br>Interests | Common Stock |        | Additional<br>Paid-In<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Retained<br>Earnings | Total<br>Stockholders'<br>Equity | Noncontrolling<br>Interests | Total<br>Equity |
|                                                                                     |                                           | Shares       | Amount |                                  |                                                        |                      |                                  |                             |                 |
| Balance at December 31, 2024                                                        | \$ 624,159                                | 225,662      | \$ 23  | \$ 6,747,236                     | \$ 86,814                                              | \$ (4,279,866)       | \$ 2,554,207                     | \$ 985,844                  | \$ 3,540,051    |
| Exercise of stock options                                                           | —                                         | 64           | —      | 690                              | —                                                      | —                    | 690                              | —                           | 690             |
| Issuance of restricted stock units, net of tax withholdings                         | —                                         | 4,870        | —      | —                                | —                                                      | —                    | —                                | —                           | —               |
| Shares issued in connection with the Employee Stock Purchase Plan                   | —                                         | 1,009        | —      | 8,482                            | —                                                      | —                    | 8,482                            | —                           | 8,482           |
| Stock-based compensation                                                            | —                                         | —            | —      | 92,119                           | —                                                      | —                    | 92,119                           | —                           | 92,119          |
| Contributions from noncontrolling interests and redeemable noncontrolling interests | 325,173                                   | —            | —      | —                                | —                                                      | —                    | —                                | 1,134,926                   | 1,134,926       |
| Distributions to noncontrolling interests and redeemable noncontrolling interests   | (55,410)                                  | —            | —      | —                                | —                                                      | —                    | —                                | (124,342)                   | (124,342)       |
| Net (loss) income                                                                   | (146,555)                                 | —            | —      | —                                | —                                                      | 346,373              | 346,373                          | (1,033,818)                 | (687,445)       |
| Acquisition of noncontrolling interest                                              | (17,506)                                  | —            | —      | 18,596                           | —                                                      | —                    | 18,596                           | (31,794)                    | (13,198)        |
| Other comprehensive loss, net of taxes                                              | —                                         | —            | —      | —                                | (36,565)                                               | —                    | (36,565)                         | —                           | (36,565)        |
| Balance at September 30, 2025                                                       | \$ 729,861                                | 231,605      | \$ 23  | \$ 6,867,123                     | \$ 50,249                                              | \$ (3,933,493)       | \$ 2,983,902                     | \$ 930,816                  | \$ 3,914,718    |

| Nine Months Ended September 30, 2024                                                |                                           |              |        |                                  |                                                        |                      |                                  |                             |                 |
|-------------------------------------------------------------------------------------|-------------------------------------------|--------------|--------|----------------------------------|--------------------------------------------------------|----------------------|----------------------------------|-----------------------------|-----------------|
|                                                                                     | Redeemable<br>Noncontrolling<br>Interests | Common Stock |        | Additional<br>Paid-In<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Retained<br>Earnings | Total<br>Stockholders'<br>Equity | Noncontrolling<br>Interests | Total<br>Equity |
|                                                                                     |                                           | Shares       | Amount |                                  |                                                        |                      |                                  |                             |                 |
| Balance at December 31, 2023                                                        | \$ 676,177                                | 219,392      | \$ 22  | \$ 6,609,229                     | \$ 54,676                                              | \$ (1,433,699)       | \$ 5,230,228                     | \$ 1,007,608                | \$ 6,237,836    |
| Exercise of stock options                                                           | —                                         | 521          | —      | 3,579                            | —                                                      | —                    | 3,579                            | —                           | 3,579           |
| Issuance of restricted stock units, net of tax withholdings                         | —                                         | 3,324        | —      | —                                | —                                                      | —                    | —                                | —                           | —               |
| Shares issued in connection with the Employee Stock Purchase Plan                   | —                                         | 850          | —      | 8,374                            | —                                                      | —                    | 8,374                            | —                           | 8,374           |
| Stock-based compensation                                                            | —                                         | —            | —      | 97,576                           | —                                                      | —                    | 97,576                           | —                           | 97,576          |
| Contributions from noncontrolling interests and redeemable noncontrolling interests | 16,435                                    | —            | —      | —                                | —                                                      | —                    | —                                | 1,274,051                   | 1,274,051       |
| Distributions to noncontrolling interests and redeemable noncontrolling interests   | (51,146)                                  | —            | —      | —                                | —                                                      | —                    | —                                | (195,937)                   | (195,937)       |
| Net income (loss)                                                                   | 1,565                                     | —            | —      | —                                | —                                                      | (32,510)             | (32,510)                         | (924,321)                   | (956,831)       |
| Capped Call Transaction                                                             | —                                         | —            | —      | (38,365)                         | —                                                      | —                    | (38,365)                         | —                           | (38,365)        |
| Acquisition of noncontrolling interest                                              | (9,214)                                   | —            | —      | 26,638                           | —                                                      | —                    | 26,638                           | (38,858)                    | (12,220)        |
| Other comprehensive loss, net of taxes                                              | —                                         | —            | —      | —                                | (17,487)                                               | —                    | (17,487)                         | —                           | (17,487)        |
| Balance at September 30, 2024                                                       | \$ 633,817                                | 224,087      | \$ 22  | \$ 6,707,031                     | \$ 37,189                                              | \$ (1,466,209)       | \$ 5,278,033                     | \$ 1,122,543                | \$ 6,400,576    |

**Sunrun Inc.**  
**Consolidated Statements of Cash Flows**  
(In Thousands)  
(Unaudited)

|                                                                                                                | Nine Months Ended September 30, |              |
|----------------------------------------------------------------------------------------------------------------|---------------------------------|--------------|
|                                                                                                                | 2025                            | 2024         |
| <b>Operating activities:</b>                                                                                   |                                 |              |
| Net loss                                                                                                       | \$ (834,000)                    | \$ (955,266) |
| Adjustments to reconcile net loss to net cash used in operating activities:                                    |                                 |              |
| Depreciation and amortization, net of amortization of deferred grants                                          | 541,149                         | 458,533      |
| Income tax benefit                                                                                             | (207,652)                       | (26,953)     |
| Stock-based compensation expense                                                                               | 79,620                          | 83,956       |
| Interest on pass-through financing obligations                                                                 | —                               | 8,837        |
| Reduction in pass-through financing obligations                                                                | —                               | (20,787)     |
| Unrealized loss on derivatives                                                                                 | 78,704                          | 2,311        |
| Other noncash items                                                                                            | 218,094                         | 105,259      |
| Changes in operating assets and liabilities:                                                                   |                                 |              |
| Accounts receivable                                                                                            | (95,748)                        | (20,715)     |
| Inventories                                                                                                    | (167,904)                       | 117,398      |
| Prepaid expenses and other assets                                                                              | (443,908)                       | (470,617)    |
| Accounts payable                                                                                               | (35,082)                        | 36,379       |
| Accrued expenses and other liabilities                                                                         | 11,679                          | 76,406       |
| Deferred revenue                                                                                               | 143,437                         | 97,465       |
| Deferred tax liabilities                                                                                       | 193,223                         | —            |
| Net cash used in operating activities                                                                          | (518,388)                       | (507,794)    |
| <b>Investing activities:</b>                                                                                   |                                 |              |
| Payments for the costs of solar energy systems                                                                 | (2,088,932)                     | (1,907,667)  |
| Purchases of property and equipment, net                                                                       | (2,551)                         | (945)        |
| Net cash used in investing activities                                                                          | (2,091,483)                     | (1,908,612)  |
| <b>Financing activities:</b>                                                                                   |                                 |              |
| Proceeds from state tax credits, net of recapture                                                              | 9,668                           | 5,203        |
| Proceeds from trade receivable financing                                                                       | 167,081                         | —            |
| Repayment of trade receivable financing                                                                        | (195,584)                       | —            |
| Proceeds from line of credit                                                                                   | 200,486                         | 305,556      |
| Repayment of line of credit                                                                                    | (265,502)                       | (452,534)    |
| Proceeds from issuance of convertible senior notes, net of capped call transaction                             | —                               | 444,822      |
| Repurchase of convertible senior notes                                                                         | (2,124)                         | (229,346)    |
| Proceeds from issuance of non-recourse debt                                                                    | 3,896,379                       | 3,364,956    |
| Repayment of non-recourse debt                                                                                 | (2,170,694)                     | (1,692,214)  |
| Payment of debt fees                                                                                           | (63,930)                        | (93,747)     |
| Proceeds from pass-through financing and other obligations, net                                                | —                               | 4,795        |
| Repayment of pass-through financing obligation                                                                 | —                               | (240,288)    |
| Payment of finance lease obligations                                                                           | (19,037)                        | (20,635)     |
| Contributions received from noncontrolling interests and redeemable noncontrolling interests                   | 1,460,099                       | 1,290,486    |
| Distributions paid to noncontrolling interests and redeemable noncontrolling interests                         | (177,099)                       | (238,388)    |
| Acquisition of noncontrolling interest                                                                         | (30,704)                        | (21,434)     |
| Proceeds from transfer of investment tax credits                                                               | 1,156,652                       | 557,111      |
| Payments to redeemable noncontrolling interests and noncontrolling interests of investment tax credits         | (1,156,652)                     | (557,111)    |
| Net proceeds related to stock-based award activities                                                           | 9,172                           | 11,953       |
| Net cash provided by financing activities                                                                      | 2,818,211                       | 2,439,185    |
| Net change in cash and restricted cash                                                                         | 208,340                         | 22,779       |
| Cash and restricted cash, beginning of period                                                                  | 947,416                         | 987,838      |
| Cash and restricted cash, end of period                                                                        | \$ 1,155,756                    | \$ 1,010,617 |
| <b>Supplemental disclosures of cash flow information</b>                                                       |                                 |              |
| Cash paid for interest                                                                                         | \$ 547,317                      | \$ 423,839   |
| Cash paid for income taxes                                                                                     | \$ —                            | \$ —         |
| <b>Supplemental disclosures of noncash investing and financing activities</b>                                  |                                 |              |
| Purchases of solar energy systems and property and equipment included in accounts payable and accrued expenses | \$ 58,229                       | \$ 59,658    |
| Right-of-use assets obtained in exchange for new finance lease liabilities                                     | \$ 2,732                        | \$ 35,507    |

The accompanying notes are an integral part of these consolidated financial statements.

**Sunrun Inc.**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

**Note 1. Organization**

Sunrun Inc. ("Sunrun" or the "Company") was formed in 2007. The Company is engaged in the design, development, installation, sale, ownership and maintenance of home battery storage and solar energy systems ("Projects") in the United States.

Sunrun acquires customers directly and through relationships with various solar and strategic partners ("Partners"). The Projects are constructed either by Sunrun or by Sunrun's Partners and are mostly owned by the Company. Sunrun's customers enter into an agreement to utilize the home battery storage and/or solar energy system (the "Customer Agreement") which typically have an initial term of 20 or 25 years. Sunrun monitors, maintains, and insures the Projects during the term of the Customer Agreement. The Company also owns and operates home-to-grid power plants, home electrification products, and solar leads generated by customers.

The Company has formed various subsidiaries ("Funds") to finance the development of Projects. These Funds, structured as limited liability companies, obtain financing from outside investors and purchase Projects from Sunrun under master purchase agreements. The Company currently utilizes a partnership-flip legal structure for its Funds.

**Note 2. Summary of Significant Accounting Policies**

**Basis of Presentation and Principles of Consolidation**

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and applicable rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting, and in the opinion of management, include all adjustments of a normal recurring nature necessary for the fair presentation of the Company's interim financial statements. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. As such, these unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company's annual report on Form 10-K for the year ended December 31, 2024. The results of the nine months ended September 30, 2025 are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2025 or other future periods.

The consolidated financial statements reflect the accounts and operations of the Company and those of its subsidiaries, including Funds, in which the Company has a controlling financial interest. The typical condition for a controlling financial interest ownership is holding a majority of the voting interests of an entity. However, a controlling financial interest may also exist in entities, such as VIEs, through arrangements that do not involve holding a majority of the voting interests. In accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 810 ("ASC 810") *Consolidation*, the Company consolidates any VIE of which it is the primary beneficiary. The primary beneficiary, as defined in ASC 810, is the party that has (1) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and (2) the obligation to absorb the losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company evaluates its relationships with its VIEs on an ongoing basis to determine whether it continues to be the primary beneficiary. The consolidated financial statements reflect the assets and liabilities of VIEs that are consolidated. All intercompany transactions and balances have been eliminated in consolidation.

## Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company regularly makes estimates and assumptions, including, but not limited to, revenue recognition constraints that result in variable consideration, the discount rate used to adjust the promised amount of consideration for the effects of a significant financing component, the estimates that affect the collectability of accounts receivable, the valuation of inventories, the useful lives of solar energy systems, the useful lives of property and equipment, the discount rate used for operating and financing leases, the valuation of stock-based compensation, the determination of valuation allowances associated with deferred tax assets, the fair value of debt instruments disclosed and the redemption value of redeemable noncontrolling interests. The Company bases its estimates on historical experience and various other assumptions believed to be reasonable. Actual results may differ from such estimates.

## Segment Information

The Company has one operating segment with one business activity, providing solar energy services and products to customers. The Company's chief operating decision maker ("CODM") is its Chief Executive Officer, who reviews financial information presented on a consolidated basis. When evaluating performance and allocating resources, the CODM uses consolidated income (loss) from operations and net income (loss). These financial metrics are used by the CODM to make key operating decisions, such as the determination of volume targets and the allocation of budget between cost of revenues, sales and marketing, research and development, and general and administrative expenses. The CODM does not use asset or liability information in evaluating the Company's operating segment.

Revenue from external customers (including, but not limited to homeowners) for each group of similar products and services is as follows (in thousands):

|                                        | Three Months Ended September 30, |            | Nine Months Ended September 30, |              |
|----------------------------------------|----------------------------------|------------|---------------------------------|--------------|
|                                        | 2025                             | 2024       | 2025                            | 2024         |
| Customer agreements                    | \$ 458,460                       | \$ 368,641 | \$ 1,273,259                    | \$ 1,030,859 |
| Incentives                             | 33,140                           | 37,220     | 79,261                          | 85,794       |
| Customer agreements and incentives     | 491,600                          | 405,861    | 1,352,520                       | 1,116,653    |
| Solar energy systems                   | 164,789                          | 47,189     | 242,731                         | 167,535      |
| Product sales                          | 68,168                           | 84,123     | 202,913                         | 235,039      |
| Solar energy systems and product sales | 232,957                          | 131,312    | 445,644                         | 402,574      |
| Total revenue                          | \$ 724,557                       | \$ 537,173 | \$ 1,798,164                    | \$ 1,519,227 |

Revenue from Customer Agreements includes payments by customers for the use of the system as well as utility and other rebates assigned by the customer to the Company in the Customer Agreement. Revenue from incentives includes revenue from the sale of solar renewable energy credits ("SRECs").

## Cash and Restricted Cash

Restricted cash represents amounts related to obligations under certain financing transactions and future replacement of solar energy system components.

The following table provides a reconciliation of cash and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows. Cash and restricted cash consists of the following (in thousands):

|                                        | Nine Months Ended September 30, |                     |
|----------------------------------------|---------------------------------|---------------------|
|                                        | 2025                            | 2024                |
| Beginning of period:                   |                                 |                     |
| Cash                                   | \$ 574,956                      | \$ 678,821          |
| Restricted cash, current and long-term | 372,460                         | 309,017             |
| Total                                  | <u>\$ 947,416</u>               | <u>\$ 987,838</u>   |
| End of period:                         |                                 |                     |
| Cash                                   | \$ 709,148                      | \$ 533,863          |
| Restricted cash, current and long-term | 446,608                         | 476,754             |
| Total                                  | <u>\$ 1,155,756</u>             | <u>\$ 1,010,617</u> |

#### Accounts Receivable

Accounts receivable consist of amounts due from customers, as well as state and utility rebates due from government agencies and utility companies. Under Customer Agreements, the customers typically assign incentive rebates to the Company.

Accounts receivable, net consists of the following (in thousands):

|                             | September 30, 2025 | December 31, 2024 |
|-----------------------------|--------------------|-------------------|
| Customer receivables        | \$ 223,847         | \$ 179,152        |
| Other receivables           | 42,618             | 6,974             |
| Allowance for credit losses | (18,186)           | (15,420)          |
| Total                       | <u>\$ 248,279</u>  | <u>\$ 170,706</u> |

#### Asset Retirement Obligation

The Company has an asset retirement obligation ("ARO") arising from contractual or regulatory requirements to perform certain asset retirement activities at the time the Company's solar energy systems are retired. The Company recognizes a corresponding ARO when an obligating event takes place, which typically is when the solar energy system is installed. An asset is considered retired when it is permanently taken out of service, such as through a sale or disposal. The Company's aggregate ARO is immaterial and is recorded as a component of solar energy systems, net and other liabilities on the Company's consolidated balance sheets. The Company's ARO balances are subject to change in future periods given the inherent uncertainty in estimating asset retirement costs and timing.

#### Supplier Finance Agreements

The Company has entered into supplier finance agreements with certain financial institutions, whereby these institutions pay amounts related to trade and inventory payables to suppliers on behalf of the Company. The terms of these agreements allow the Company to extend, at its sole discretion, the original supplier payment terms up to 90 or 120 days. The Company does not provide any form of guarantee under these financing agreements. Amounts outstanding under these agreements were \$98.7 million as of September 30, 2025 and \$130.2 million as of December 31, 2024, respectively. The Company records interest for the period the supplier finance obligation is outstanding and reflects the proceeds and payments related to these transactions as a financing activity within its consolidated statements of cash flows.

## Deferred Revenue

When the Company receives consideration, or when such consideration is unconditionally due, from a customer prior to delivering goods or services to the customer under the terms of a Customer Agreement, the Company records deferred revenue. Such deferred revenue consists of amounts for which the criteria for revenue recognition have not yet been met and includes amounts that are collected or assigned from customers, including upfront deposits and prepayments, and rebates. Deferred revenue relating to financing components represents the cumulative excess of interest expense recorded on financing component elements over the related revenue recognized to date and will eventually net to zero by the end of the initial term. Amounts received related to the sales of SRECs which have not yet been delivered to the counterparty are recorded as deferred revenue.

The balance of deferred revenue was \$1.2 billion as of December 31, 2023. Deferred revenue consists of the following (in thousands):

|                                   | September 30, 2025  | December 31, 2024   |
|-----------------------------------|---------------------|---------------------|
| <b>Under Customer Agreements:</b> |                     |                     |
| Payments received, net            | \$ 1,028,064        | \$ 950,225          |
| Financing component balance       | 85,371              | 79,731              |
|                                   | <u>1,113,435</u>    | <u>1,029,956</u>    |
| <b>Under SREC contracts:</b>      |                     |                     |
| Payments received, net            | 348,101             | 291,972             |
| Financing component balance       | 19,645              | 16,419              |
|                                   | <u>367,746</u>      | <u>308,391</u>      |
| <b>Total</b>                      | <u>\$ 1,481,181</u> | <u>\$ 1,338,347</u> |

During the three months ended September 30, 2025 and 2024, the Company recognized revenue of \$43.5 million and \$41.5 million, respectively, and during the nine months ended September 30, 2025 and 2024, the Company recognized revenue of \$115.1 million and \$103.7 million, respectively, from amounts included in deferred revenue at the beginning of the respective periods. Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized and includes deferred revenue as well as amounts that will be invoiced and recognized as revenue in future periods. Contracted but not yet recognized revenue was approximately \$36.2 billion as of September 30, 2025, of which the Company expects to recognize approximately 5% over the next 12 months. The annual recognition is not expected to vary significantly over the next 10 years as the vast majority of existing Customer Agreements have at least 10 years remaining, given that the average age of the Company's fleet of residential solar energy systems under Customer Agreements is less than six years due to the Company being formed in 2007 and having experienced significant growth in the last few years. The annual recognition on these existing contracts will gradually decline over the midpoint of the typical 20- or 25-year initial term of individual Customer Agreements.

## Fair Value of Financial Instruments

The Company defines fair value as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company uses valuation approaches to measure fair value that maximize the use of observable inputs and minimize the use of unobservable inputs. The FASB establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

- Level 1—Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2—Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and
- Level 3—Inputs that are unobservable, significant to the measurement of the fair value of the assets or liabilities and are supported by little or no market data.

The Company's financial instruments include cash, receivables, accounts payable, accrued expenses, distributions payable to noncontrolling interests, derivatives, and recourse and non-recourse debt.

Certain assets are measured at fair value on a non-recurring basis. These assets are not measured at fair value on an ongoing basis, but are subject to fair value adjustments only in certain circumstances. Assets that are written down to fair value when impaired are not subsequently adjusted to fair value unless further impairment occurs.

## **Revenue Recognition**

The Company recognizes revenue when control of goods or services is transferred to its customers, in an amount that reflects the consideration it expects to be entitled to in exchange for those goods or services.

### **Customer agreements and incentives**

Customer agreements and incentives revenue is primarily comprised of revenue from Customer Agreements in which the Company provides continuous access to a functioning solar energy system and revenue from the sales of SRECs generated by the Company's solar energy systems to third parties.

The Company begins to recognize revenue on Customer Agreements when permission to operate ("PTO") is given by the local utility company or on the date daily operation commences if utility approval is not required. Revenue recognition does not necessarily follow the receipt of cash. For Customer Agreements that include a fixed fee per month which entitles the customer to any and all electricity generated by the system, and for which the Company's obligation is to provide continuous access to a functioning solar energy system, the Company recognizes revenue evenly over the time that it satisfies its performance obligations, which is over the initial term of the Customer Agreements. Customer Agreements typically have an initial term of 20 or 25 years. After the initial contract term, Customer Agreements typically automatically renew annually or for a five year term.

SREC revenue arises from the sale of environmental credits generated by solar energy systems and is generally recognized upon delivery of the SRECs to the counterparty or upon reporting of the electricity generation.

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money when the timing of payments provides it with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. When adjusting the promised amount of consideration for a significant financing component, the Company uses the discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception and recognizes the revenue amount on a straight-line basis over the term of the Customer Agreement, and interest expense using the effective interest rate method.

Consideration from customers is considered variable due to the performance guarantee under Customer Agreements and liquidating damage provisions under SREC contracts in the event minimum deliveries are not achieved. Performance guarantees provide a credit to the customer if the system's cumulative production, as measured on various PTO anniversary dates, is below the Company's guarantee of a specified minimum. Revenue is recognized to the extent it is probable that a significant reversal of such revenue will not occur.

The Company capitalizes incremental costs incurred to obtain a contract in Other assets in the consolidated balance sheets. These amounts are amortized on a straight-line basis over the term of the Customer Agreements, and are included in Sales and marketing in the consolidated statements of operations.

## **Solar energy systems and product sales**

For solar energy systems sold to customers, revenue is recognized when the solar energy system passes inspection by the authority having jurisdiction, which inspection generally occurs after installation but prior to PTO, at which time the Company has met the performance obligation in the contract. For solar energy system sales that include delivery obligations up until interconnection to the local power grid with PTO, the Company recognizes revenue at PTO. Additionally, for storage and solar energy system sales for which the performance obligation is satisfied over time, revenue is recognized as the contract milestones are met. Certain solar energy systems sold to customers include fees for extended warranty and maintenance services. These fees are recognized over the life of the service agreement. The Company's installation Projects are typically completed in less than twelve months.

Product sales consist of batteries and other solar energy products sold to resellers, roofing repair, and customer leads. Product sales revenue is recognized at the time when control is transferred, upon shipment, or as services are delivered. Customer lead revenue, included in product sales, is recognized at the time the lead is delivered.

Taxes assessed by government authorities that are directly imposed on revenue producing transactions are excluded from solar energy systems and product sales.

## **Cost of Revenue**

### **Customer agreements and incentives**

Cost of revenue for customer agreements and incentives is primarily comprised of (1) the depreciation of the cost of the solar energy systems, as reduced by amortization of deferred grants, (2) solar energy system operations, monitoring and maintenance costs including associated personnel costs, and (3) allocated corporate overhead costs.

### **Solar energy systems and product sales**

Cost of revenue for solar energy systems and non-lead generation product sales consist of direct and indirect material and labor costs for solar energy systems installations and product sales. Also included are engineering and design costs, estimated warranty costs, freight costs, allocated corporate overhead costs, vehicle depreciation costs and personnel costs associated with supply chain, logistics, operations management, safety and quality control. Cost of revenue for lead generations consists of costs related to direct-response advertising activities associated with generating customer leads.

## **Recently Issued and Adopted Accounting Standards**

### *Accounting standards to be adopted:*

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements — Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*, to modify the disclosure or presentation requirements of a variety of topics, which will allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the SEC's requirements, and to align the requirements in the FASB accounting standard codification with the SEC's regulations. The amendments in this ASU are effective when the related disclosure is effectively removed from Regulations S-X or S-K, with early adoption prohibited. The Company is currently evaluating the provisions of the amendments and the impact on its future consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which expands disclosures in an entity's income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. This ASU is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating this guidance and the impact it may have on its financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses*. This guidance requires disclosures about significant expense categories, including but not limited to, inventory purchases, employee compensation, depreciation, amortization, and selling expenses. This ASU is effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating this guidance and the impact it may have on its financial statement disclosures.

In November 2024, the FASB issued ASU 2024-04, *Debt — Debt with Conversion and Other Options (Subtopic 470-20) — Induced Conversions of Convertible Debt Instruments*. This guidance clarifies the requirements for determining whether to account for certain early settlements of convertible debt instruments as induced conversions or extinguishment. This ASU is effective for fiscal years beginning after December 15, 2025, with early adoption permitted for entities that have already adopted ASU 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)*, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. The Company is currently evaluating this guidance and the impact it may have on its future consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments — Credit Losses (Topic 326) — Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This guidance provides a practical expedient permitting an entity to assume that conditions at the balance sheet date remain unchanged over the life of the asset when estimating expected credit losses for current accounts receivable and current contract assets. This ASU is effective for fiscal years beginning after December 15, 2025 and interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating this guidance and the impact it may have on its future consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, *Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40) — Targeted Improvements to the Accounting for Internal-Use Software*. The amendments in this update improve the operability of the guidance by removing all references to software development project stages and clarifies the threshold entities apply to begin capitalizing cost. This ASU is effective for fiscal years beginning after December 15, 2027 and interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating this guidance and the impact it may have on its future consolidated financial statements.

### Note 3. Fair Value Measurement

At September 30, 2025 and December 31, 2024, the carrying value of receivables, accounts payable, accrued expenses and distributions payable to noncontrolling interests approximates fair value due to their short-term nature and falls under the Level 2 hierarchy. The carrying values and fair values of debt instruments are as follows (in thousands):

|                     | September 30, 2025   |                      | December 31, 2024    |                      |
|---------------------|----------------------|----------------------|----------------------|----------------------|
|                     | Carrying Value       | Fair Value           | Carrying Value       | Fair Value           |
| Recourse debt       | \$ 797,901           | \$ 967,756           | \$ 863,646           | \$ 807,801           |
| Senior debt         | 4,573,857            | 4,537,614            | 4,738,594            | 4,681,858            |
| Subordinated debt   | 3,227,361            | 3,163,466            | 2,667,010            | 2,539,930            |
| Securitization debt | 6,027,924            | 5,887,721            | 4,632,242            | 4,363,326            |
| Total               | <u>\$ 14,627,043</u> | <u>\$ 14,556,557</u> | <u>\$ 12,901,492</u> | <u>\$ 12,392,915</u> |

At September 30, 2025 and December 31, 2024, the fair value of certain recourse debt and certain senior, subordinated and securitization loans approximate their carrying values because their interest rates are variable rates that approximate rates currently available to the Company. At September 30, 2025 and December 31, 2024, the fair value of the Company's other debt instruments are based on rates currently offered for debt with similar maturities and terms. The Company's fair value of the debt instruments fell under the Level 2 hierarchy. These valuation approaches involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the instruments or market.

At September 30, 2025 and December 31, 2024, financial instruments measured at fair value on a recurring basis, based upon the fair value hierarchy, are as follows (in thousands):

|                                |  | September 30, 2025 |            |         |            |
|--------------------------------|--|--------------------|------------|---------|------------|
|                                |  | Level 1            | Level 2    | Level 3 | Total      |
| <b>Derivative assets:</b>      |  |                    |            |         |            |
| Interest rate swaps            |  | \$ —               | \$ 80,886  | \$ —    | \$ 80,886  |
| Total                          |  | \$ —               | \$ 80,886  | \$ —    | \$ 80,886  |
| <b>Derivative liabilities:</b> |  |                    |            |         |            |
| Interest rate swaps            |  | \$ —               | \$ 25,128  | \$ —    | \$ 25,128  |
| Total                          |  | \$ —               | \$ 25,128  | \$ —    | \$ 25,128  |
|                                |  | December 31, 2024  |            |         |            |
|                                |  | Level 1            | Level 2    | Level 3 | Total      |
| <b>Derivative assets:</b>      |  |                    |            |         |            |
| Interest rate swaps            |  | \$ —               | \$ 171,758 | \$ —    | \$ 171,758 |
| Total                          |  | \$ —               | \$ 171,758 | \$ —    | \$ 171,758 |
| <b>Derivative liabilities:</b> |  |                    |            |         |            |
| Interest rate swaps            |  | \$ —               | \$ 7,385   | \$ —    | \$ 7,385   |
| Total                          |  | \$ —               | \$ 7,385   | \$ —    | \$ 7,385   |

The above balances are recorded in other assets and other liabilities, respectively, in the consolidated balance sheets, except for \$11.3 million and \$30.6 million as of September 30, 2025 and December 31, 2024, respectively, which is recorded in prepaid expenses and other current assets and \$1.1 million and nil as of September 30, 2025 and December 31, 2024, respectively, which is recorded in accrued expenses and other liabilities.

The Company determines the fair value of its interest rate swaps using a discounted cash flow model that incorporates an assessment of the risk of non-performance by the interest rate swap counterparty and an evaluation of the Company's credit risk in valuing derivative instruments. The valuation model uses various inputs including contractual terms, interest rate curves, credit spreads, and measures of volatility.

#### Note 4. Inventories

Inventories consist of the following (in thousands):

|                 | September 30, 2025 | December 31, 2024 |
|-----------------|--------------------|-------------------|
| Raw materials   | \$ 387,368         | \$ 357,870        |
| Work-in-process | 182,619            | 44,213            |
| Total           | \$ 569,987         | \$ 402,083        |

The IRS provided taxpayers a safe harbor opportunity for solar facilities that began construction prior to January 1, 2025 and are placed in service on or after January 1, 2025 to elect the application of the ITC (as defined below) under Section 48(a) of the Internal Revenue Code of 1986 (the "Code"). The Company has sought to avail itself of the safe harbor in order to retain the ability to elect the application of the ITC under Section 48(a) of the Code by incurring certain costs and taking title to equipment in 2024. As of September 30, 2025 and December 31, 2024, there was \$84.5 million and \$349.5 million, respectively, related to the safe harbor program within raw materials.

**Note 5. Solar Energy Systems, net**

Solar energy systems, net consists of the following (in thousands):

|                                                 | September 30, 2025 | December 31, 2024 |
|-------------------------------------------------|--------------------|-------------------|
| Solar energy system equipment costs             | \$ 15,702,142      | \$ 14,258,772     |
| Inverters and batteries                         | 3,181,588          | 2,554,739         |
| Total solar energy systems                      | 18,883,730         | 16,813,511        |
| Less: accumulated depreciation and amortization | (3,213,860)        | (2,732,888)       |
| Add: construction-in-progress                   | 930,018            | 951,492           |
| Total solar energy systems, net                 | \$ 16,599,888      | \$ 15,032,115     |

All solar energy systems, including construction-in-progress, have been leased to or are subject to signed Customer Agreements with customers. The Company recorded depreciation expense related to solar energy systems of \$173.4 million and \$146.2 million for the three months ended September 30, 2025 and 2024, respectively, and \$500.6 million and \$431.3 million for the nine months ended September 30, 2025 and 2024, respectively. The depreciation expense was reduced by the amortization of deferred grants of \$2.4 million for both the three months ended September 30, 2025 and 2024, respectively, and \$7.3 million and \$6.1 million for the nine months ended September 30, 2025 and 2024, respectively.

**Note 6. Other Assets**

Other assets consist of the following (in thousands):

|                                                       | September 30, 2025 | December 31, 2024 |
|-------------------------------------------------------|--------------------|-------------------|
| Costs to obtain contracts - Customer Agreements       | \$ 2,453,708       | \$ 2,084,545      |
| Costs to obtain contracts - incentives                | 2,481              | 2,481             |
| Accumulated amortization of costs to obtain contracts | (314,517)          | (243,989)         |
| Unbilled receivables                                  | 889,782            | 681,823           |
| Allowance for credit loss on unbilled receivables     | (9,004)            | (6,928)           |
| Equity investment                                     | 81,297             | 81,297            |
| Operating lease right-of-use assets                   | 67,846             | 76,810            |
| Other assets                                          | 296,569            | 345,707           |
| Total                                                 | \$ 3,468,162       | \$ 3,021,746      |

The Company recorded amortization of costs to obtain contracts of \$25.8 million and \$20.9 million for the three months ended September 30, 2025 and 2024, respectively, and \$71.2 million and \$55.2 million for the nine months ended September 30, 2025 and 2024, respectively, in Sales and marketing in the consolidated statements of operations.

The majority of unbilled receivables arise from fixed price escalators included in the Company's long-term Customer Agreements. The escalator is included in calculating the total estimated transaction value for an individual Customer Agreement. The total estimated transaction value is then recognized over the term of the Customer Agreement. The amount of unbilled receivables increases while billings for an individual Customer Agreement are less than the revenue recognized for that Customer Agreement. Conversely, the amount of unbilled receivables decreases once the billings become higher than the amount of revenue recognized in the period. At the end of the initial term of a Customer Agreement, the cumulative amounts recognized as revenue and billed to date are the same, therefore the unbilled receivable balance for an individual Customer Agreement will be zero. The Company applies an estimated loss-rate in order to determine the current expected credit loss for unbilled receivables. The estimated loss-rate is determined by analyzing historical credit losses, residential first and second mortgage foreclosures and consumers' utility default rates, as well as current economic conditions. The Company reviews individual customer collection status of electricity billings to determine whether the unbilled receivables for an individual customer should be written off, including the possibility of a service transfer to a potential new homeowner.

## Note 7. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consist of the following (in thousands):

|                                      | September 30, 2025 | December 31, 2024 |
|--------------------------------------|--------------------|-------------------|
| Accrued employee compensation        | \$ 124,246         | \$ 104,747        |
| Accrued interest                     | 123,897            | 115,112           |
| Operating lease obligations          | 25,695             | 28,784            |
| Accrued supplier finance obligations | 98,655             | 130,238           |
| Other accrued expenses               | 166,926            | 164,871           |
| Total                                | <u>\$ 539,419</u>  | <u>\$ 543,752</u> |

## Note 8. Indebtedness

As of September 30, 2025, debt consisted of the following (in thousands, except percentages):

|                                                              | September 30, 2025   | December 31, 2024    | Unused Borrowing Capacity <sup>(1)</sup> | Weighted Average Interest Rate at September 30, 2025 | Weighted Average Interest Rate at December 31, 2024 | Contractual Interest Rate <sup>(3)</sup> | Contractual Maturity Date  |
|--------------------------------------------------------------|----------------------|----------------------|------------------------------------------|------------------------------------------------------|-----------------------------------------------------|------------------------------------------|----------------------------|
| <b>Recourse debt</b>                                         |                      |                      |                                          |                                                      |                                                     |                                          |                            |
| Line of credit <sup>(4)</sup>                                | \$ 319,210           | \$ 384,226           | \$ —                                     | 8.07%                                                | 8.45%                                               | SOFR +3.25% - 3.75%                      | March 2027                 |
| 0% Convertible Senior Notes <sup>(5)</sup>                   | 5,457                | 7,687                | —                                        | —%                                                   | —%                                                  | —%                                       | February 2026              |
| 4% Convertible Senior Notes <sup>(6)</sup>                   | 483,187              | 483,187              | —                                        | 4.00%                                                | 4.00%                                               | 4.00%                                    | March 2030                 |
| Total recourse debt                                          | 807,854              | 875,100              | —                                        |                                                      |                                                     |                                          |                            |
| Unamortized debt discount                                    | (9,953)              | (11,454)             | —                                        |                                                      |                                                     |                                          |                            |
| Total recourse debt, net                                     | 797,901              | 863,646              | —                                        |                                                      |                                                     |                                          |                            |
| <b>Non-recourse debt <sup>(7)</sup></b>                      |                      |                      |                                          |                                                      |                                                     |                                          |                            |
| Senior revolving and delayed draw loans <sup>(8)</sup>       | 1,897,800            | 2,412,400            | 87,300                                   | 6.97%                                                | 7.24%                                               | SOFR +2.35% - 3.10%                      | March 2027 - February 2028 |
| Senior non-revolving loans <sup>(9)</sup>                    | 2,683,400            | 2,325,558            | —                                        | 6.29%                                                | 6.66%                                               | 4.66% - 6.93%; SOFR +1.90% - 2.25%       | September 2026 - July 2060 |
| Subordinated revolving and delayed draw loans <sup>(8)</sup> | 35,400               | 20,400               | —                                        | 13.35%                                               | 13.62%                                              | SOFR +9.10%                              | March 2027                 |
| Subordinated loans <sup>(10)(11)</sup>                       | 3,245,172            | 2,691,534            | —                                        | 9.48%                                                | 9.36%                                               | 7.00% - 10.75%; SOFR +6.50% - 6.90%      | April 2027 - January 2042  |
| Securitized loans                                            | 6,128,430            | 4,705,549            | —                                        | 5.40%                                                | 5.08%                                               | 2.27% - 6.60%                            | April 2048 - January 2061  |
| Total non-recourse debt                                      | 13,990,202           | 12,155,441           | 87,300                                   |                                                      |                                                     |                                          |                            |
| Unamortized debt (discount) premium, net                     | (161,060)            | (117,595)            | —                                        |                                                      |                                                     |                                          |                            |
| Total non-recourse debt, net                                 | 13,829,142           | 12,037,846           | 87,300                                   |                                                      |                                                     |                                          |                            |
| Total debt, net                                              | <u>\$ 14,627,043</u> | <u>\$ 12,901,492</u> | <u>\$ 87,300</u>                         |                                                      |                                                     |                                          |                            |

(1) Represents the additional amount the Company could borrow, if any, based on the state of its existing assets as of September 30, 2025.

(2) Reflects weighted average contractual, unhedged rates. See Note 9, *Derivatives* for hedge rates.

- (3) Ranges shown reflect a fixed interest rate and rates using SOFR, as applicable.
- (4) The working capital facility (the "Facility") was amended in October 2024 and its total commitment of up to \$447.5 million is secured by substantially all of the unencumbered assets of the Company, as well as ownership interests in certain subsidiaries of the Company. Borrowings under the Facility may be designated as Base Rate Loans or Term SOFR Loans, subject to certain terms and conditions under the Credit Agreement. Base Rate Loans accrue interest at a rate per year equal to 2.25% to 2.75% depending on total outstanding balance as a percentage of total commitment plus the highest of (a) the federal funds rate plus 0.50%, (b) the interest rate determined from time to time by the Administrative Agent as its prime rate and notified to the Company, (c) the Adjusted Term SOFR Rate (defined below) for a one-month interest period in effect on such day (or if such day is not a business day, the immediately preceding business day) plus 1.00% and (d) 0.00%. Term SOFR Loans accrue interest at a rate per annum equal to (a) 3.25% to 3.75% depending on total outstanding balance as a percentage of total commitment plus (b) the greater of (i) 0.00% and (ii) the sum of (x) the forward-looking term rate for a period comparable to the applicable available tenor based on SOFR that is published by CME Group Benchmark Administration Ltd or a successor for the applicable interest period and (y) (1) if the applicable interest period is one month, 0.11448%, (2) if the applicable interest period is three months, 0.26161% or (c) if the applicable interest period is six months, 0.42826% (the rate pursuant to clause (b), the "Adjusted Term SOFR Rate"). The maturity date of this facility was automatically extended to March 1, 2027 in September 2024, due to the Company maintaining funds on deposit in a collateral account equal to an amount sufficient to repay at the scheduled maturity all of its 0% Senior Convertible Notes due 2026 that were outstanding on September 30, 2024 and the Company was otherwise in compliance with its quarter-end liquidity covenant. This facility is subject to various restrictive covenants, such as the completion and presentation of audited consolidated financial statements, maintaining a minimum modified interest coverage ratio, a minimum modified current ratio, a maximum modified leverage ratio, and a minimum unencumbered cash balance, in each case, tested quarterly. The Company was in compliance with all debt covenants as of September 30, 2025.
- (5) Convertible senior notes due 2026 (the "2026 Notes") under this category with an outstanding balance of \$5.5 million as of September 30, 2025 will not bear regular interest, and the principal amount of the 2026 Notes will not accrete. The 2026 Notes may bear special interest under specified circumstances relating to the Company's failure to comply with its reporting obligations under the Indenture or if the 2026 Notes are not freely tradeable as required by the indenture. The 2026 Notes will mature on February 1, 2026, unless earlier repurchased by the Company, redeemed by the Company or converted pursuant to their terms. The initial conversion rate of the Notes is 8.4807 shares of the Company's common stock, par value \$0.0001 per share, per \$1,000 principal amount of 2026 Notes, which is equivalent to an initial conversion price of approximately \$117.91 per share. The conversion rate will be subject to adjustment upon the occurrence of certain specified events but will not be adjusted for any accrued and unpaid special interest. In addition, upon the occurrence of a make-whole fundamental change or an issuance of a notice of redemption, the Company will, in certain circumstances, increase the conversion rate by a number of additional shares for a holder that elects to convert its 2026 Notes in connection with such make-whole fundamental change or notice of redemption. The debt discount recorded on the 2026 Notes is being amortized to interest expense at an effective interest rate of 0.57%. As of September 30, 2025, \$7.7 million of the debt discount was amortized to interest expense inception to date. In connection with the offering of the 2026 Notes, the Company entered into privately negotiated capped call transactions (the "2026 Capped Calls") with certain of the initial purchasers and/or their respective affiliates at a cost of approximately \$28.0 million. The 2026 Capped Calls are classified as equity and were recorded to additional paid-in-capital within stockholders' equity as of March 31, 2021. The 2026 Capped Calls each have an initial strike price of approximately \$117.91 per share, subject to certain adjustments, which corresponds to the initial conversion price of the 2026 Notes. The 2026 Capped Calls have initial cap prices of \$157.22 per share. The 2026 Capped Calls cover, subject to anti-dilution adjustments, approximately 3.4 million shares of common stock. The 2026 Capped Calls are expected generally to reduce the potential dilution to the common stock upon any conversion of 2026 Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of the 2026 Notes, as the case may be, in the event the market price per share of common stock, as measured under the 2026 Capped Calls, is greater than the strike price of the 2026 Capped Call, with such offset subject to a cap. If, however, the market price per share of the common stock, as measured under the 2026 Capped Calls, exceeds the cap price of the 2026 Capped Calls, there would be dilution and/or there would not be an offset of such potential cash payments, in each case, to the extent that the then-market price per share of the common stock exceeds the cap price. The final components of the 2026 Capped Calls are scheduled to expire on January 29, 2026. None of the conversion criteria has been met as of September 30, 2025. The 2026 Notes outstanding balance is recorded in accrued and other liabilities in the consolidated balance sheet as of September 30, 2025.

- (6) Convertible senior notes due 2030 (the “2030 Notes” and, together with the 2026 Notes, the “Notes”) under this category with an outstanding balance of \$483.2 million as of September 30, 2025 will bear regular interest at 4.00% per annum, and the principal amount of the 2030 Notes will not accrete. The 2030 Notes may bear special interest under specified circumstances relating to the Company’s failure to comply with its reporting obligations under the indenture or if the 2030 Notes are not freely tradeable as required by the indenture. The 2030 Notes will mature on March 1, 2030, unless repurchased by the Company, redeemed by the Company or converted pursuant to their terms prior to maturity. The initial conversion rate of the 2030 Notes is 61.3704 shares of the Company’s common stock, par value \$0.0001 per share, per \$1,000 principal amount of 2030 Notes, which is equivalent to an initial conversion price of approximately \$16.29 per share. The conversion rate will be subject to adjustment upon the occurrence of certain specified events but will not be adjusted for any accrued and unpaid special interest. In addition, upon the occurrence of a make-whole fundamental change or an issuance of a notice of redemption, the Company will, in certain circumstances, increase the conversion rate by a number of additional shares for a holder that elects to convert its 2030 Notes in connection with such make-whole fundamental change or notice of redemption. The debt discount recorded on the 2030 Notes is being amortized to interest expense at an effective interest rate of 4.51%. As of September 30, 2025, \$3.1 million of the debt discount was amortized to interest expense inception to date. In connection with the offering of the 2030 Notes, the Company entered into privately negotiated capped call transactions (the “2030 Capped Calls”) with certain of the initial purchasers and/or their respective affiliates at a cost of approximately \$38.4 million. The 2030 Capped Calls are classified as equity and were recorded to additional paid-in-capital within stockholders’ equity as of September 30, 2025. The 2030 Capped Calls each have an initial strike price of approximately \$16.29 per share, subject to certain adjustments, which corresponds to the initial conversion price of the 2030 Notes. The 2030 Capped Calls have initial cap prices of \$22.37 per share. The 2030 Capped Calls cover, subject to anti-dilution adjustments, approximately 29.7 million shares of common stock. The 2030 Capped Calls are expected generally to reduce the potential dilution to the common stock upon any conversion of 2030 Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of the 2030 Notes, as the case may be, in the event the market price per share of Common Stock, as measured under the 2030 Capped Calls, is greater than the strike price of the 2030 Capped Call, with such offset subject to a cap. If, however, the market price per share of the common stock, as measured under the 2030 Capped Calls, exceeds the cap price of the 2030 Capped Calls, there would be dilution and/or there would not be an offset of such potential cash payments, in each case, to the extent that the then-market price per share of the common stock exceeds the cap price. The final components of the 2030 Capped Calls are scheduled to expire on February 27, 2030. None of the conversion criteria has been met as of September 30, 2025.
- (7) Certain loans under this category are part of project equity transactions.
- (8) Pursuant to the terms of the aggregation facilities within this category the Company may draw up to an aggregate principal amount of \$2.9 billion in revolver borrowings depending on the available borrowing base at the time.
- (9) Loans under this category with a fixed rate had a total outstanding balance of \$1.7 billion as of September 30, 2025.
- (10) A loan under this category with an outstanding balance of \$158.9 million as of September 30, 2025 contains a put option that can be exercised beginning in 2036 that would require the Company to pay off the entire loan on November 30, 2037.
- (11) Loans under this category with a floating rate have a total outstanding balance of \$671.9 million as of September 30, 2025.

## Senior and Subordinated Debt Facilities

Each of the Company's senior and subordinated debt facilities contain customary covenants, including the requirement to maintain certain financial measurements and provide lender reporting. Each of the senior and subordinated debt facilities also contain certain provisions in the event of default that entitle lenders to take certain actions including acceleration of amounts due under the facilities and acquisition of membership interests and assets that are pledged to the lenders under the terms of the senior and subordinated debt facilities. The facilities are non-recourse to the Company and are secured by net cash flows from Customer Agreements or inventories less certain operating, maintenance and other expenses that are available to the borrower after distributions to tax equity investors, where applicable. Under the terms of these facilities, the Company's subsidiaries pay interest and principal from the net cash flows available to the subsidiaries. The Company was in compliance with all debt covenants as of September 30, 2025.

## Non-Recourse Financings

In connection with each of the Company's non-recourse debt (including securitized loans), assets (consisting of membership interests in project companies that own photovoltaic systems and related Customer Agreements) were contributed by the Company to special purpose subsidiaries of the Company (each a "Non-Recourse Borrower"). Each of such financings contains customary covenants including the requirement to provide reporting to the indenture trustee or collateral agent and, if applicable, ratings agencies. Each of the financings also contains certain provisions which entitle the indenture trustee or collateral agent to take certain actions upon the occurrence of an event of default, including acceleration of amounts due under the facilities and the foreclosure on the assets of the Non-Recourse Borrower that are pledged to the lenders under the terms thereof. The facilities are non-recourse to the Company and are secured by first priority security interests by each Non-Recourse Borrower in favor of the indenture trustee or collateral agent in all of the Non-Recourse Borrower's assets including the cash flows from Customer Agreements which are available to each Non-Recourse Borrower after giving effect to certain operating, maintenance and other expenses and, where applicable, distributions to tax equity investors. As a result of such security interests, the assets of each Non-Recourse Borrower are not available to the creditors of the Company unless and until distributions from such entities are made to the Company as permitted under the applicable facility documentation. Under the terms of these financings, each Non-Recourse Borrower pays interest and principal from such net cash flows. The Company was in compliance with all debt covenants as of September 30, 2025.

## Note 9. Derivatives

### Interest Rate Swaps

The Company uses interest rate swaps to hedge variable interest payments due on certain of its term loans and aggregation facility. These swaps allow the Company to incur fixed interest rates on these loans and receive payments based on variable interest rates with the swap counterparty based on SOFR (daily, one month, three month) on the notional amounts over the life of the swaps. In December 2023, the Company started using interest rate swaptions to protect against adverse fluctuations in interest rates prior to expected future draws on the Company's floating-rate facilities, at which point the Company enters into long-term interest rate hedges.

The interest rate swaps have been designated as cash flow hedges. The credit risk adjustment associated with these swaps is the risk of non-performance by the counterparties to the contracts. In the nine months ended September 30, 2025, the hedge relationships on the Company's interest rate swaps have been assessed as highly effective as the quarterly assessment performed determined changes in cash flows of the derivative instruments have been highly effective in offsetting the changes in the cash flows of the hedged items, are expected to be highly effective in the future and the critical terms of the interest rate swaps match the critical terms of the underlying forecasted hedged transactions. Accordingly, changes in the fair value of these derivatives are recorded as a component of accumulated other comprehensive income, net of income taxes. Changes in the fair value of these derivatives are subsequently reclassified into earnings, and are included in interest expense, net in the Company's consolidated statements of operations, in the period that the hedged forecasted transactions affect earnings. To the extent that the hedge relationships are not effective, changes in the fair value of these derivatives are recorded in other expenses, net in the Company's consolidated statements of operations on a prospective basis.

The Company's master netting and other similar arrangements allow net settlements under certain conditions. When those conditions are met, the Company presents derivatives at net fair value. As of September 30, 2025, the information related to these offsetting arrangements were as follows (in thousands):

| Instrument Description                            | Gross Amounts of<br>Recognized Assets /<br>Liabilities | Gross Amounts Offset in<br>the Consolidated<br>Balance Sheet | Net Amounts of Assets /<br>Liabilities Included in the<br>Consolidated Balance<br>Sheet | Notional Amount <sup>(1)</sup><br><sub>(2)</sub> |
|---------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>Assets:</b>                                    |                                                        |                                                              |                                                                                         |                                                  |
| Derivatives designated as hedging instruments     | \$ 71,370                                              | \$ —                                                         | \$ 71,370                                                                               | \$ 995,618                                       |
| Derivatives not designated as hedging instruments | 9,516                                                  | (5,781)                                                      | 3,735                                                                                   | 769,320                                          |
| Total derivative assets                           | \$ 80,886                                              | \$ (5,781)                                                   | \$ 75,105                                                                               | \$ 1,764,938                                     |
| <b>Liabilities:</b>                               |                                                        |                                                              |                                                                                         |                                                  |
| Derivatives designated as hedging instruments     | \$ —                                                   | \$ —                                                         | \$ —                                                                                    | \$ —                                             |
| Derivatives not designated as hedging instruments | (25,128)                                               | 5,781                                                        | (19,347)                                                                                | 1,617,185                                        |
| Total derivative liabilities                      | \$ (25,128)                                            | \$ 5,781                                                     | \$ (19,347)                                                                             | \$ 1,617,185                                     |
| <b>Total</b>                                      | <b>\$ 55,758</b>                                       | <b>\$ —</b>                                                  | <b>\$ 55,758</b>                                                                        | <b>\$ 3,382,123</b>                              |

(1) Comprised of 54 interest rate swaps which effectively fix the SOFR portion of interest rates on outstanding balances of certain loans under the senior sections of the debt footnote table (see Note 8, *Indebtedness*) at 0.31% to 4.15% per annum. These swaps mature from August 13, 2027 to January 31, 2044.

(2) Comprised of 14 interest rate swaptions which effectively fix the SOFR portion of interest rates on future outstanding balances of certain loans under the senior revolving section of the debt footnote table (see Note 8, *Indebtedness*) at 3.78% to 4.18% per annum. These swaptions expire from October 1, 2025 to December 3, 2025 with potential underlying swaps maturing from January 31, 2043 to April 30, 2043.

As of December 31, 2024, the information related to these offsetting arrangements were as follows (in thousands):

| Instrument Description                            | Gross Amounts of<br>Recognized Assets /<br>Liabilities | Gross Amounts Offset in<br>the Consolidated<br>Balance Sheet | Net Amounts of Assets /<br>Liabilities Included in the<br>Consolidated Balance<br>Sheet | Notional Amount     |
|---------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------|
| <b>Assets:</b>                                    |                                                        |                                                              |                                                                                         |                     |
| Derivatives designated as hedging instruments     | \$ 117,793                                             | \$ —                                                         | \$ 117,793                                                                              | \$ 1,382,188        |
| Derivatives not designated as hedging instruments | 53,965                                                 | (7,252)                                                      | 46,713                                                                                  | 2,118,393           |
| Total derivative assets                           | \$ 171,758                                             | \$ (7,252)                                                   | \$ 164,506                                                                              | \$ 3,500,581        |
| <b>Liabilities:</b>                               |                                                        |                                                              |                                                                                         |                     |
| Derivatives designated as hedging instruments     | —                                                      | —                                                            | —                                                                                       | —                   |
| Derivatives not designated as hedging instruments | (7,385)                                                | 7,252                                                        | (133)                                                                                   | 653,365             |
| Total derivative liabilities                      | \$ (7,385)                                             | \$ 7,252                                                     | \$ (133)                                                                                | \$ 653,365          |
| <b>Total</b>                                      | <b>\$ 164,373</b>                                      | <b>\$ —</b>                                                  | <b>\$ 164,373</b>                                                                       | <b>\$ 4,153,946</b> |

The losses (gains) on derivatives designated as cash flow hedges recognized into OCI, before tax effect, consisted of the following (in thousands):

|                                                    | Three months ended September 30, |             |
|----------------------------------------------------|----------------------------------|-------------|
|                                                    | 2025                             | 2024        |
| <b>Derivatives designated as cash flow hedges:</b> |                                  |             |
| Interest rate swaps                                | \$ (1,668)                       | \$ 48,297   |
|                                                    | Nine months ended September 30,  |             |
|                                                    | 2025                             | 2024        |
| <b>Derivatives designated as cash flow hedges:</b> |                                  |             |
| Interest rate swaps                                | \$ 22,463                        | \$ (11,160) |

The (gains) losses on derivatives financial instruments recognized into the consolidated statements of operations, before tax effect, consisted of the following (in thousands):

| Three months ended September 30,                                                    |                    |                       |                   |                  |
|-------------------------------------------------------------------------------------|--------------------|-----------------------|-------------------|------------------|
| 2025                                                                                |                    | 2024                  |                   |                  |
| Interest expense, net                                                               | Other expense, net | Interest expense, net | Other income, net |                  |
| <b>Derivatives designated as cash flow hedges:</b>                                  |                    |                       |                   |                  |
| Interest rate swaps:                                                                |                    |                       |                   |                  |
| Gains reclassified from Accumulated other comprehensive income ("AOCI") into income | \$ (4,312)         | \$ —                  | \$ (9,098)        | \$ —             |
| <b>Derivatives not designated as cash flow hedges:</b>                              |                    |                       |                   |                  |
| Interest rate swaps:                                                                |                    |                       |                   |                  |
| Losses recognized into income                                                       | —                  | 14,430                | —                 | 86,596           |
| Total (gains) losses                                                                | <u>\$ (4,312)</u>  | <u>\$ 14,430</u>      | <u>\$ (9,098)</u> | <u>\$ 86,596</u> |

| Nine months ended September 30,                                                     |                    |                       |                    |                 |
|-------------------------------------------------------------------------------------|--------------------|-----------------------|--------------------|-----------------|
| 2025                                                                                |                    | 2024                  |                    |                 |
| Interest expense, net                                                               | Other expense, net | Interest expense, net | Other income, net  |                 |
| <b>Derivatives designated as cash flow hedges:</b>                                  |                    |                       |                    |                 |
| Interest rate swaps:                                                                |                    |                       |                    |                 |
| Gains reclassified from Accumulated other comprehensive income ("AOCI") into income | \$ (14,102)        | \$ —                  | \$ (28,647)        | \$ —            |
| <b>Derivatives not designated as cash flow hedges:</b>                              |                    |                       |                    |                 |
| Interest rate swaps:                                                                |                    |                       |                    |                 |
| Losses recognized into income                                                       | —                  | 74,461                | —                  | 9,790           |
| Total (gains) losses                                                                | <u>\$ (14,102)</u> | <u>\$ 74,461</u>      | <u>\$ (28,647)</u> | <u>\$ 9,790</u> |

All amounts in AOCI in the consolidated statements of redeemable noncontrolling interests and equity relate to derivatives, refer to the consolidated statements of comprehensive income (loss).

During the next 12 months, the Company expects to reclassify \$9.2 million of net gains on derivative instruments from accumulated other comprehensive income to earnings. There were 43 undesignated derivative instruments recorded by the Company as of September 30, 2025.

**Note 10. VIE Arrangements**

The Company consolidated various VIEs at September 30, 2025 and December 31, 2024. The carrying amounts and classification of the VIEs' assets and liabilities included in the consolidated balance sheets are as follows (in thousands):

|                                                                                           | September 30, 2025   | December 31, 2024    |
|-------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Assets</b>                                                                             |                      |                      |
| <b>Current assets</b>                                                                     |                      |                      |
| Cash                                                                                      | \$ 307,697           | \$ 420,756           |
| Restricted cash                                                                           | 54,064               | 57,892               |
| Accounts receivable, net                                                                  | 129,872              | 92,259               |
| Inventories                                                                               | 136,189              | 62,581               |
| Prepaid expenses and other current assets                                                 | 7,207                | 7,616                |
| <b>Total current assets</b>                                                               | 635,029              | 641,104              |
| Solar energy systems, net                                                                 | 13,537,400           | 12,062,819           |
| Other assets                                                                              | 777,594              | 586,293              |
| <b>Total assets</b>                                                                       | <b>\$ 14,950,023</b> | <b>\$ 13,290,216</b> |
| <b>Liabilities</b>                                                                        |                      |                      |
| <b>Current liabilities</b>                                                                |                      |                      |
| Accounts payable                                                                          | \$ 5,234             | \$ 5,400             |
| Distributions payable to noncontrolling interests and redeemable noncontrolling interests | 44,123               | 41,465               |
| Accrued expenses and other liabilities                                                    | 48,576               | 42,997               |
| Deferred revenue, current portion                                                         | 73,295               | 62,278               |
| Non-recourse debt, current portion                                                        | 111,083              | 60,292               |
| <b>Total current liabilities</b>                                                          | 282,311              | 212,432              |
| Deferred revenue, net of current portion                                                  | 912,918              | 764,576              |
| Non-recourse debt, net of current portion                                                 | 1,311,993            | 1,347,492            |
| Other liabilities                                                                         | 20,421               | 18,540               |
| <b>Total liabilities</b>                                                                  | <b>\$ 2,527,643</b>  | <b>\$ 2,343,040</b>  |

**Note 11. Redeemable Noncontrolling Interests**

During certain specified periods of time (the "Early Exit Periods"), noncontrolling interests in certain funding arrangements have the right to put all of their membership interests to the Company (the "Put Provisions"). During a specific period of time, the Company has the right to call all membership units of the related redeemable noncontrolling interests (the "Call Periods").

## Note 12. Stock-Based Compensation

### Stock Options

The following table summarizes the activity for all stock options under all of the Company's equity incentive plans for the nine months ended September 30, 2025 (shares and aggregate intrinsic value in thousands):

|                                                      | Number of Options | Weighted Average Exercise Price | Weighted Average Remaining Contractual Life | Aggregate Intrinsic Value |
|------------------------------------------------------|-------------------|---------------------------------|---------------------------------------------|---------------------------|
| Outstanding at December 31, 2024                     | 3,507             | \$ 19.05                        | 4.54                                        | \$ 3,882                  |
| Granted                                              | —                 | —                               |                                             |                           |
| Exercised                                            | (63)              | 10.91                           |                                             |                           |
| Canceled                                             | (58)              | 16.05                           |                                             |                           |
| Outstanding at September 30, 2025                    | 3,386             | \$ 19.25                        | 3.88                                        | \$ 17,008                 |
| Options vested and exercisable at September 30, 2025 | 3,280             | \$ 18.93                        | 3.79                                        | \$ 17,008                 |

### Restricted Stock Units

The following table summarizes the activity for all restricted stock units ("RSUs") under all of the Company's equity incentive plans for the nine months ended September 30, 2025 (shares in thousands):

|                                        | Number of Awards | Weighted Average Grant Date Fair Value |
|----------------------------------------|------------------|----------------------------------------|
| Unvested balance at December 31, 2024  | 12,375           | \$ 16.29                               |
| Granted                                | 12,632           | 6.74                                   |
| Issued                                 | (4,873)          | 15.78                                  |
| Canceled / forfeited                   | (1,569)          | 11.95                                  |
| Unvested balance at September 30, 2025 | 18,565           | \$ 10.49                               |

### Employee Stock Purchase Plan

Under the Company's 2015 Employee Stock Purchase Plan ("ESPP"), as amended, eligible employees are offered shares bi-annually through a 24-month offering period with six-month purchase periods. Each purchase period begins on the first trading day on or after May 15 and November 15 of each year. Employees may purchase a limited number of shares of the Company's common stock via regular payroll deductions at a discount of 15% of the lower of the fair market value of the Company's common stock (i) on the first trading date of each offering period or (ii) on the exercise date. Employees may deduct up to 15% of payroll, with a cap of \$25,000 of fair market value of the Company's common stock in any calendar year and 10,000 shares of the Company's common stock per employee per purchase period.

## Stock-Based Compensation Expense

The Company recognized stock-based compensation expense, including ESPP expenses, in the consolidated statements of operations as follows (in thousands):

|                                                | Three Months Ended September 30, |           | Nine Months Ended September 30, |           |
|------------------------------------------------|----------------------------------|-----------|---------------------------------|-----------|
|                                                | 2025                             | 2024      | 2025                            | 2024      |
| Cost of customer agreements and incentives     | \$ 2,391                         | \$ 2,143  | \$ 7,163                        | \$ 6,388  |
| Cost of solar energy systems and product sales | 554                              | 463       | 1,541                           | 1,552     |
| Sales and marketing                            | 12,506                           | 11,453    | 33,442                          | 38,444    |
| Research and development                       | 1,190                            | 1,117     | 3,334                           | 8,191     |
| General and administration                     | 12,950                           | 11,816    | 34,140                          | 29,381    |
| Total                                          | \$ 29,591                        | \$ 26,992 | \$ 79,620                       | \$ 83,956 |

During the three months and nine months ended September 30, 2025, stock-based compensation expense capitalized to solar energy systems, net in the Company's consolidated balance sheets was \$2.2 million and \$7.0 million, respectively, and was \$2.4 million and \$7.5 million during the three and nine months ended September 30, 2024, respectively.

## Note 13. Income Taxes

The income tax benefit rate for the three months ended September 30, 2025 and 2024 was 0.8% and 3.2%, respectively, and for the nine months ended September 30, 2025 and 2024 was 19.9% and 2.7%, respectively. The differences between the actual consolidated effective income tax rate and the U.S. federal statutory rate were primarily attributable to the allocation of losses on noncontrolling interests, income tax expense related to the valuation allowance, and income tax benefit related to ITC (as defined below) transfer proceeds to the Company.

The Company sells solar energy systems to Funds. As the Funds are consolidated by the Company, the gain on the sale of the assets has been eliminated in the consolidated financial statements, however gains on sale are recognized for tax purposes and the tax effects of which, both current and deferred, are included in the Company's income tax provision.

The Company enters into investment tax credit (each, an "ITC" and collectively, the "ITCs") transfer agreements with third-party transferees to transfer to such third-parties, for cash, the ITCs generated by certain solar energy systems that have been or will be placed in service. The Company accounts for its share of ITC transfer proceeds under ASC 740, *Income Taxes*, as a reduction of income tax expense in the consolidated statements of operations during the year in which the credits arise (i.e., the flow-through method) and the tax equity investor's share is distributed upon receipt. During the three months ended September 30, 2025 and 2024, the Company recognized income tax benefit from ITC transfer proceeds to the Company of \$2.2 million and \$13.8 million, respectively, and during the nine months ended September 30, 2025 and 2024, \$207.7 million and \$32.4 million, respectively.

## Note 14. Commitments and Contingencies

### Letters of Credit

As of September 30, 2025 and December 31, 2024, the Company had \$63.0 million and \$47.3 million, respectively, of unused letters of credit outstanding, which each carry fees of 0.50% - 3.75% per annum and 0.50% - 3.25% per annum, respectively.

### Guarantees

Certain tax equity funds and debt facilities require the Company to maintain an aggregate amount of \$35.0 million of unencumbered cash and cash equivalents at the end of each month.

## **Purchase Commitment**

The Company has several purchase commitments, which have the ability to be canceled without significant penalties, with multiple suppliers to purchase \$354.8 million of batteries by the end of the third quarter of 2026 and to purchase \$1.3 billion of photovoltaic modules, inverters and batteries between fiscal 2026 and fiscal 2029.

## **Warranty Accrual**

The Company accrues warranty costs when revenue is recognized for solar energy systems sales, based on the estimated future costs of meeting its warranty obligations. Warranty costs primarily consist of replacement costs for supplies and labor costs for service personnel since warranties for equipment and materials are covered by the original manufacturer's warranty (other than a small deductible in certain cases). As such, the warranty reserve is immaterial in all periods presented. The Company makes and revises these estimates based on the number of solar energy systems under warranty, the Company's historical experience with warranty claims, assumptions on warranty claims to occur over a systems' warranty period and the Company's estimated replacement costs. A warranty is provided for solar energy systems sold. However, for the solar energy systems under Customer Agreements, the Company does not accrue a warranty liability because those systems are owned by consolidated subsidiaries of the Company. Instead, any repair costs on those solar energy systems are expensed when they are incurred as a component of customer agreements and incentives costs of revenue.

## **ITC Indemnification**

The Company is contractually committed to compensate its investors for any losses that they may suffer in certain limited circumstances resulting from reductions in ITCs, including any reduction in depreciable basis. Generally, such obligations would arise as a result of reductions to the value of the underlying solar energy systems as assessed by the IRS. The Company set the purchase prices and claimed values based on fair market values determined with the assistance of an independent third-party appraisal with respect to the systems that generate ITCs (and the associated depreciable basis) that are passed-through to, and claimed by, the Fund investors. In April 2018, the Company purchased an insurance policy providing for certain payments by the insurers in the event there is a final determination (including a judicial determination) that reduced the ITCs and depreciation claimed in respect of solar energy systems sold or transferred to most Funds through April 2018, or later, in the case of Funds added to the policy after such date. In general, the policy indemnifies the Company and related parties for additional taxes (including penalties and interest) owed in respect of lost ITCs, depreciation, gross-up costs and expenses incurred in defending such claim, subject to negotiated exclusions from, and limitations to, coverage. The Company purchased similar additional insurance policies in January 2021, October 2022, May 2023, March 2024, June 2024, and March 2025.

At each balance sheet date, the Company assesses and recognizes, when applicable, the potential exposure from this obligation based on all the information available at that time, including any routine audits undertaken by the IRS.

## **Litigation**

The Company is subject to certain legal proceedings, claims, investigations, and administrative proceedings in the ordinary course of its business. The Company records a provision for a liability when it is both probable that the liability has been incurred and the amount of the liability can be reasonably estimated. The Company evaluates the adequacy of its legal reserves based on its assessment of many factors, including interpretations of the law and assumptions that ultimately may or may not be correct about the future outcome of each case based on available information. These provisions, if any, are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case. Depending on the nature and timing of any such proceedings that may arise, an unfavorable resolution of a matter could materially affect the Company's future consolidated results of operations, cash flows, or financial position in a particular period.

In the normal course of business, the Company has from time to time been named as a party to various legal claims, actions, or complaints. While the outcome of these matters cannot currently be predicted with certainty, the Company does not currently believe that the outcome of any of these claims will have a material adverse effect, individually or in the aggregate, on its consolidated financial position, results of operations, or cash flows.

## Note 15. Net Income (Loss) Per Share

Basic net income per share is computed by dividing net income attributable to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net income per share is computed by dividing net income attributable to common stockholders by the weighted-average number of common shares outstanding during the period adjusted to include the effect of potentially dilutive securities. Potentially dilutive securities are excluded from the computation of dilutive EPS in periods in which the effect would be antidilutive.

The computation of the Company's basic and diluted net income (loss) per share is as follows (in thousands, except per share amounts):

|                                                                                                                  | Three Months Ended September 30, |             | Nine Months Ended September 30, |             |
|------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------|---------------------------------|-------------|
|                                                                                                                  | 2025                             | 2024        | 2025                            | 2024        |
| <b>Numerator:</b>                                                                                                |                                  |             |                                 |             |
| Net income (loss) attributable to common stockholders                                                            | \$ 16,589                        | \$ (83,766) | \$ 346,373                      | \$ (32,510) |
| Debt discount amortization                                                                                       | 513                              | —           | 1,800                           | —           |
| Net income (loss) available to common stockholders                                                               | \$ 17,102                        | \$ (83,766) | \$ 348,173                      | \$ (32,510) |
| <b>Denominator:</b>                                                                                              |                                  |             |                                 |             |
| Weighted average shares used to compute net income (loss) per share attributable to common stockholders, basic   | 230,980                          | 223,695     | 228,868                         | 222,078     |
| Weighted average effect of potentially dilutive shares to purchase common stock                                  | 36,493                           | —           | 33,328                          | —           |
| Weighted average shares used to compute net income (loss) per share attributable to common stockholders, diluted | 267,473                          | 223,695     | 262,196                         | 222,078     |
| Net income (loss) per share attributable to common stockholders                                                  |                                  |             |                                 |             |
| Basic                                                                                                            | \$ 0.07                          | \$ (0.37)   | \$ 1.51                         | \$ (0.15)   |
| Diluted                                                                                                          | \$ 0.06                          | \$ (0.37)   | \$ 1.33                         | \$ (0.15)   |

The following shares were excluded from the computation of diluted net income (loss) per share as the impact of including those shares would be anti-dilutive (in thousands):

|                                         | Three Months Ended September 30, |        | Nine Months Ended September 30, |        |
|-----------------------------------------|----------------------------------|--------|---------------------------------|--------|
|                                         | 2025                             | 2024   | 2025                            | 2024   |
| Outstanding stock options               | 1,916                            | 1,315  | 2,355                           | 1,755  |
| Unvested restricted stock units         | 2,594                            | 2,568  | 9,317                           | 7,924  |
| Convertible Senior Notes (if converted) | —                                | 30,783 | —                               | 14,976 |
| Total                                   | 4,510                            | 34,666 | 11,672                          | 24,655 |

## **Note 16. Related Party Transactions**

### **Advances Receivable—Related Party**

Net amounts due from direct-sales professionals were \$10.1 million and \$14.3 million as of September 30, 2025 and December 31, 2024, respectively. The Company provided a reserve of \$2.8 million and \$2.8 million as of September 30, 2025 and December 31, 2024, respectively, related to advances to direct-sales professionals who have terminated their employment agreement with the Company.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*You should read the following discussion and analysis of our financial condition and results of operations together with the unaudited consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include those identified below and those discussed in the section titled "Risk Factors" included elsewhere in this Quarterly Report on Form 10-Q.*

### Overview

Sunrun (the "Company," "our," "we") is America's largest provider of home battery storage, solar, and home-to-grid power plants. Sunrun transformed the solar industry in 2007 by removing financial barriers and democratizing access to affordable, reliable energy. Sunrun is America's leading provider of home battery storage and solar systems, offered primarily through our no-upfront-cost subscription model. Sunrun's innovative products and solutions provide households with energy security, predictability, and greater independence. Our network of home-to-grid power plants provides on-demand dispatchable energy that helps prevent blackouts and lower energy costs benefiting communities, utilities, and the electric grid, while providing customer value.

We are engaged in the design, development, installation, sale, ownership and maintenance of residential home battery storage and solar energy systems (collectively, "Projects") in the United States. We provide solar energy and on-site battery storage often at savings compared to traditional utility energy with the additional benefit of protecting households from grid outages through battery backup. Our primary customers are residential homeowners. We also sell our products and services to certain commercial developers through our multi-family and new homes offerings. After pioneering the residential solar and home battery storage models and recognizing their enormous market potential, we have built the infrastructure and capabilities necessary to rapidly acquire and serve customers in a low-cost and scalable manner. Today, our scalable operating platform provides us with a number of unique advantages. First, we are able to drive distribution by marketing our solar-plus-storage service offerings through multiple channels, including our diverse partner network and direct-to-consumer operations. This multi-channel model supports broad sales and installation capabilities, which together allow us to achieve capital-efficient growth. Second, we are able to provide differentiated solutions to our customers that, combined with great customer experience, we believe will drive meaningful margin advantages for us over the long term as we strive to create the industry's most valuable and satisfied customer base.

Our core solar-plus-storage service offerings are provided through our power purchase agreements ("PPAs") and leases, which we collectively refer to as our "Customer Agreements," and which provide customers with simple, predictable pricing that is insulated from rising retail electricity prices. They also provide customers with the benefit of increased resiliency from backup energy and enhanced energy management capabilities. While customers have the option to purchase home energy systems outright from us, most of our customers choose to buy solar and storage as a service from us through our Customer Agreements without the significant upfront investment. With our solar-plus-storage service offerings, we install energy systems on our customers' homes and provide them with the solar power produced by those systems and integrated batteries for typically a 20- or 25-year initial term. In addition, we monitor, maintain and insure the system during the term of the contract. In exchange, we receive predictable cash flows from high credit quality customers and qualify for tax and other benefits. We finance portions of these tax benefits and cash flows through tax equity, non-recourse debt and project equity structures in order to fund our upfront costs, overhead and growth investments. We develop valuable customer relationships that can extend beyond this initial contract term and provide us with an opportunity over time to integrate additional solar, battery storage, electrification and distributed home-to-grid power plant offerings into a smart solution for each home and community. Since our founding, we have continued to invest in a platform of services and tools to enable large scale operations for us and our partner network, and these partners include solar integrators, sales partners, installation partners and other strategic partners. The platform includes processes and software, as well as fulfillment and acquisition of marketing leads. We believe our platform empowers new market entrants and smaller industry participants to profitably serve our large and underpenetrated market without making the significant investments in technology and infrastructure required to compete effectively against established industry players. Our platform provides the support for our multi-channel model, which drives broad customer reach and capital-efficient growth.

Delivering a differentiated customer experience is core to our strategy. We emphasize a customized solution, including a design specific to each customer's home and pricing configurations that typically drive both customer savings and value to us. We believe that our passion for engaging our customers, developing a trusted

brand, and providing a customized home energy service offering resonates with our customers who are accustomed to a traditional residential power market that is often overpriced and lacking in customer choice.

We have experienced substantial growth in our business and operations since our inception in 2007, as well as through our acquisition of Vivint Solar on October 8, 2020. As of September 30, 2025, we operate the largest fleet of residential solar energy systems in the United States. We have a Networked Solar Energy Capacity of 8,188 megawatts ("MW") as of September 30, 2025, which represents the aggregate megawatt production capacity of our solar energy systems that have been recognized as deployments, from our inception through the measurement date. Gross Earning Assets as of September 30, 2025 were approximately \$20.9 billion. Please see the section entitled "Key Operating Metrics" for more details on how we calculate Networked Solar Energy Capacity and Gross Earning Assets.

We also have a long track record of attracting low-cost capital from diverse sources, including tax equity and debt investors. Since inception we have raised tax equity Funds to finance the installation of solar-plus-storage energy systems.

#### **Market & Macroeconomic Environment**

Our business and financial performance also depend on worldwide economic conditions. We face global macroeconomic challenges, particularly in light of increases and volatility in interest rates, uncertainty in markets, inflationary trends, navigating complex and evolving regulatory and tax frameworks, and the dynamics of the global trade environment. Federal tax policies and regulations, as well as state regulatory frameworks, also affect our business and financial performance.

During fiscal year 2024 and the first nine months of fiscal year 2025, we observed market uncertainty, including as a result of ongoing announcements related to tariffs, inflationary pressures, rising interest rates, the market impacts of proposed or newly enacted regulatory frameworks in markets within which we do business and within our industry and supply constraints. In particular, rising interest rates, including historic increases starting in 2021, have resulted and may continue to result in a decrease in our advance rates, reducing the proceeds we receive from certain Funds. Because our financing structure is sensitive to volatility in interest rates, higher rates increase our cost of capital and may decrease the amount of capital available to us to finance the deployment of new solar energy systems. These market dynamics, some of which we expect will continue into the foreseeable future, have impacted and may continue to impact our business and financial results.

Additionally, our operations and supply chains are subject to risks related to uncertainties in trade policies, including changes in tariffs, duties, trade barriers, and other restrictions imposed by various governments. These trade policy uncertainties may increase our costs, disrupt our supply chain, limit our ability to operate in certain markets, or require us to modify our current business practices. Changes in trade agreements, import/export regulations, and retaliatory measures between countries could further impact the availability and cost of materials necessary for our products and services. While the Company is not a direct importer of modules and batteries, many of the Company's suppliers import products and components from jurisdictions such as China and Vietnam that are subject to recently announced tariffs, which could significantly increase component expenses for key products, such as lithium-ion battery cells used in our energy storage systems that are currently sourced primarily from China. Despite our efforts to identify qualified suppliers outside of China, these tariffs and potential future trade restrictions could adversely impact our supply chain costs and, consequently, negatively affect consumer demand for our products.

At the federal level, tax policy and associated regulations have a direct impact on our business. The most notable recent tax legislation affecting our business is the One Big Beautiful Bill Act ("OBBA") that President Trump signed into law on July 4, 2025. The new law adjusts tax policies that Sunrun relies upon, including the Section 48E Clean Electricity Investment Credit and its associated "bonus" credits. While the law maintains the full Section 48E credit for energy storage through 2033, it shortens the availability of the 48E credit for solar facilities to the end of 2027. The law also applies new "Prohibited Foreign Entity" ("PFE") restrictions to the Section 48E credit, which could potentially deny tax credits to entities owned, controlled, or influenced by certain specified foreign entities, and for projects that use certain components or receive "material assistance" from PFE, thereby potentially increasing costs, reducing demand, or restricting access to tax credits. Further, the law ends the Section 25D Residential Clean Energy Credit starting in 2026. Changes in the law relating to the Section 45X Advanced Manufacturing Production Credit could also affect Sunrun indirectly, through our suppliers. The implementation of the OBBA through the federal regulatory process could also directly affect our business, including from uncertainty prior to the issuance of guidance or formal rulemaking processes, which may result in delays for monetizing tax credits. For further information regarding possible impacts of the OBBA on our business, see Part II, Item 1A. *Risk Factors*—"Risks Related to Regulation and Policy—Federal tax policy impacts the competitiveness of our service offerings to customers and our market" and "Risks Related to Taxes and Accounting—Our ability to provide our storage and solar service offerings to customers on an economically viable basis depends in part on our ability to finance these systems with fund investors who seek particular tax and other benefits" and "—Our business depends in part on the availability of utility rebates, tax credits and other benefits, tax exemptions and exclusions, and other financial incentives on the federal, state, and/or local levels. We may be adversely affected by changes in, and application of, these laws or other incentives to us, and the expiration, elimination or reduction of these benefits could adversely impact our business."

State legislative and regulatory frameworks also have a direct impact on our business. For example, on April 15, 2023, California implemented changes to its net metering policy by adopting a net billing tariff ("NBT"), which presented a significant change to the rate structure for new California customers, and has partially limited the financial attractiveness of our offerings in certain regions of the state, particularly for solar-only systems. However, under this new policy, the value proposition of storage offerings is significantly enhanced in California. We believe that California will be predominantly a solar plus storage market going forward and the vast majority of California sales now consist of our backup battery offerings. As the demand for solar plus storage offerings grows, we anticipate facing additional operational challenges associated with the complexity of deploying storage solutions. For example, solar plus storage offerings tend to have longer cycle times due to factors such as lengthened permitting and inspection times and potential need of a main panel upgrade. Any such factors that extend the

timeframes from customer signature to installation have historically resulted in increased operational challenges and correspondingly lower realization rates, and any future instances may continue to do so. Accordingly, this may adversely affect our financial performance, as well as the timing and magnitude of our installations and the recognition of the associated revenue.

Under the new California NBT framework, the value proposition of our products is best understood when customers compare the combined costs of their utility bill along with their Sunrun solar and storage bill, due to the impact of time-of-use rates and export rates. We believe the best customer offering is one that pairs solar and storage, although it may be more confusing to customers when compared to solar-only offers from competitors. This dynamic may result in less sales efficacy so long as customers continue to be presented with inferior, but simpler, solar-only offerings and as a result, may harm our business, financial condition, and results of operations, and may also harm the reputation of the solar industry in California at large.

Since implementation of NBT, originations in California have continued to be below levels prior to the transition for us and across the residential solar industry. Without further increases in originations, our new installations in California may continue to decline compared to prior periods, which could have a material adverse effect on our business operations and financial performance.

We have also recently seen new market entrants paying significantly higher turnkey prices and sales commissions than prevailing industry norms. Although we believe this to be an economically unsustainable practice, in the short term, it has contributed to increased competition in the industry.

### **The Need for Fast-Built Dispatchable Power and Home Electrification**

The United States is on the precipice of a once-in-a-generation transformation of our energy system due to a dramatic increase in demand for electricity from data centers, artificial intelligence, and manufacturing, as well as the opportunities of electrification of the American economy with clean energy. We anticipated this critical need for more dispatchable electrons on the grid and assisting grid operators with on-demand, home-to-grid energy to help meet demand. Meeting America's energy needs to power the economy requires adding more dispatchable capacity to the grid.

We intend to pursue these opportunities on a variety of fronts, and we continue to pursue the development of our grid services business, creating distributed power plants that lead to a more affordable and more resilient grid. Sunrun's evolution to become a storage-first company has put us in the position of being the largest home-to-grid power plant owner and operator in the country—becoming a key dispatchable energy resource for the grid. In collaboration with grid managers, we can deploy our battery systems where they will add the most value for utilities, the grid, and customers. We are actively delivering demand response and capacity services to meet operational needs in multiple geographies, and partnering with grid managers to build a more resilient electricity system that integrates the new energy technologies customers want.

We believe the electrification of U.S. households with renewable energy, and the accompanying development of an inter-connected, smart grid will provide a number of market opportunities beyond our traditional solar and battery storage offerings, including EV chargers, battery retrofits, re-powered or expanding systems, home energy management services, and other home electrification products. Additionally, we believe our omni-channel model and geographic reach provides us with the capabilities to execute on these opportunities in a variety of markets.

To further expand such future upsell and retrofit opportunities, from time to time, we may pursue acquisitions of previously installed solar systems. While we do not expect such acquisitions to represent a material portion of our growth on an annual basis, we plan to pursue such transactions opportunistically. For instance, in the third quarter of fiscal 2021, we completed a strategic transaction that added approximately 2,000 Customers and 13 MW of Networked Solar Energy Capacity.

In sum, we believe the electrification of the U.S. economy backed by solar and battery storage presents an unprecedented economic opportunity. Through these electrification opportunities and our grid services business, we aim to be the consumer brand synonymous with repowering our customers' homes with affordable, resilient energy and providing a pathway to a cleaner, healthier future.

### **U.S. Energy Policy in a Period of Transition**

The federal policy landscape in 2025 has created a dynamic environment that may impact our business and financial results, including via changes to federal tax credits, tariffs, and other regulatory measures. The recent changes to ITCs under the OBBB, or Executive Orders issued by the President of the United States, as well as any other elimination, reduction or delay in policies that support the residential storage and solar industry, could have an adverse effect on our business. For further information regarding certain of the impacts of the OBBB on our business, see Part II, Item 1A. *Risk Factors*—"Risks Related to Regulation and Policy"—Federal tax policy impacts the competitiveness of our service offerings to customers and our market" and "Risks Related to Taxes and Accounting"—Our ability to provide our storage and solar service offerings to customers on an economically viable basis depends in part on our ability to finance these systems with fund investors who seek particular tax and other benefits" and "—Our business depends in part on the availability of utility rebates, tax credits and other benefits, tax exemptions and exclusions, and other financial incentives on the federal, state, and/or local levels. We may be adversely affected by changes in, and application of, these laws or other incentives to us, and the expiration, elimination or reduction of these benefits could adversely impact our business." Additionally, these and other changes in the United States' government could contribute to a higher interest rate environment, which may further negatively impact our operations and financing costs. While it is difficult to predict specific outcomes at this time, we expect a period of regulatory and policy uncertainty and change in the near term. However, we believe our diversified business model and flexible operational framework position us to adapt to potential adverse changes in the regulatory landscape and to continue building on the robust bipartisan support for residential solar policy.

## **Human Capital Management**

At Sunrun, our human capital strategy is to attract, retain and develop the highest quality workforce. We do this by providing a differentiated company culture and employee experience, including through our compensation and benefits programming; and through the support of our employees' career mobility, leadership development, continuous education and upskilling. As of September 30, 2025, we had approximately 9,751 full-time employees, inclusive of our active direct-to-home salesforce. We also engage independent contractors and consultants. Our workforce composition reflects our strategic adaptation to industry trends, seasonality and evolving market dynamics, as well as our continued optimization of operational efficiency.

## **Funds**

Our Customer Agreements provide for recurring customer payments, typically over 20 or 25 years, and the related solar energy systems are generally eligible for ITCs, accelerated tax depreciation and other government or utility incentives. Our financing strategy is to monetize these benefits at a low weighted average cost of capital. This low cost of capital enables us to offer attractive pricing to our customers for the energy generated by the solar energy system on their homes. Historically, we have monetized a portion of the value created by our Customer Agreements and the related solar energy systems through Funds, as defined below. These assets are attractive to Fund investors due to the long-term, recurring nature of the cash flows generated by our Customer Agreements, the high credit scores of our customers, the fact that energy is a non-discretionary good and our low loss rates. In addition, Fund investors can receive attractive after-tax returns from our Funds due to their ability to utilize ITCs, accelerated depreciation and certain government or utility incentives associated with the Funds' ownership of solar energy systems.

As of September 30, 2025, we had 58 active Funds, which are described below. We have established different types of Funds to implement our asset monetization strategy. Depending on the nature of the Fund, cash may be contributed to the Fund by the investor upfront or in stages based on milestones associated with the design, construction or interconnection status of the solar energy systems. The cash contributed by the Fund investor is used by the Fund to purchase solar energy systems. The Funds own a Sunrun subsidiary for the solar energy systems, Customer Agreements and associated incentives. We receive on-going cash distributions from the Funds representing a portion of the monthly customer payments received. We use the upfront cash, as well as on-going distributions to cover our costs associated with designing, purchasing and installing the solar energy systems. In addition, we also use debt, equity and other financing strategies to fund our operations. The allocation of the economic benefits between us and the Fund investor and the corresponding accounting treatment varies depending on the structure of the Fund.

We currently utilize the partnership flip structure for our Funds which we refer to as partnership flips. Historically, we also utilized pass-through financing obligations as a legal structure for our Funds. In Q4 2024, we retired our last pass-through financing obligation Fund. We record the investor's interest in partnership flips as noncontrolling interests or redeemable noncontrolling interests. These partnership flips are usually redeemable at our option and, in certain cases, at the investor's option. If redemption is at our option, we record the investor's interest as a noncontrolling interest and account for the interest using the hypothetical liquidation at book value ("HLBV") method. If the investor has the option to put their interest to us, we record the investor's interest as a redeemable noncontrolling interest at the greater of the HLBV and the redemption value.

The table below provides an overview of our current investment funds (dollars in millions):

|                                                                                    | <b>Consolidated Joint Ventures</b>                               |         |
|------------------------------------------------------------------------------------|------------------------------------------------------------------|---------|
|                                                                                    | <b>Partnership Flip</b>                                          |         |
| Consolidation                                                                      | Single entity, consolidated                                      |         |
| Balance sheet classification                                                       | Redeemable noncontrolling interests and noncontrolling interests |         |
| Revenue from ITCs                                                                  | None                                                             |         |
| Method of calculating investor interest                                            | Greater of HLBV or redemption value                              |         |
| Liability balance as of September 30, 2025                                         | N/A                                                              |         |
| Noncontrolling interest balance (redeemable or otherwise) as of September 30, 2025 | \$                                                               | 1,660.7 |

For further information regarding our Funds, including the associated risks, see Part II, Item 1A. *Risk Factors*—“Our ability to provide our storage and solar service offerings to customers on an economically viable basis depends in part on our ability to finance these systems with Fund investors who seek particular tax and other benefits”, Note 10, *VIE Arrangements*, and Note 11, *Redeemable Noncontrolling Interests* to our consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

### Key Operating Metrics

The following operating metrics are used by management to evaluate the performance of the business. Management believes these metrics provide investors with helpful information to determine the economic performance of the business activities in a period that would otherwise not be observable from historic GAAP measures. We regularly review a number of metrics, including the following key operating metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. Some of our key operating metrics are estimates that are based on our management's beliefs and assumptions and on information currently available to management. Although we believe that we have a reasonable basis for each of these estimates, we caution you that these estimates are based on a combination of assumptions that may prove to be inaccurate over time. Any inaccuracies could be material to our actual results when compared to our calculations. Please see the section titled “Risk Factors” in this Quarterly Report on Form 10-Q for more information. Furthermore, other companies may calculate these metrics differently than we do now or in the future, which would reduce their usefulness as a comparative measure.

- *Deployments* represent solar or storage systems, whether sold directly to customers or subject to executed Customer Agreements (i) for which we have confirmation that the systems are installed, subject to final inspection, or (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). A portion of customers have subsequently entered into Customer Agreements to obtain, or have directly purchased, additional solar or storage systems at the same host customer site, and since these represent separate assets, they are considered separate Deployments.
- *Retained Subscribers* represent customers subject to Customer Agreements for solar and/or storage systems that have been recognized as Deployments and recognized as solar energy systems on Sunrun's consolidated balance sheet, whether or not they continue to be active.
- *Non-Retained or Partially Retained Subscribers* represent customers subject to Customer Agreements for solar and/or storage systems that have been recognized as Deployments whereby the assets have been fully or partially sold to one or more investors and not presented as a solar energy system on Sunrun's consolidated balance sheet.
- *Subscribers* represent aggregate Retained Subscribers and Non-Retained or Partially Retained Subscribers.

- *Purchase Customers* represent customers who purchased, whether outright or with proceeds from third-party loans, solar and/or storage systems that have been recognized as Deployments.
- *Customers* represent aggregate Subscribers and Purchase Customers. We believe that it is helpful to investors to evaluate customers added during the period in order to measure the growth of our business as a whole.
- *Solar Capacity Installed* represents the aggregate megawatt production capacity of solar energy systems that were recognized as Deployments in a period.
- *Networked Solar Capacity* represents the cumulative Solar Capacity Installed from the Company's inception through the measurement date. We believe it is helpful to investors to evaluate networked solar energy capacity added during the period in order to measure the growth of our business as a whole.
- *Subscriber Additions* represent the number of Subscribers added in a period. We believe this metric is helpful to investors to track the additions to our customers under long-term Customer Agreements from our activities in the period.
- *Contracted Subscriber Value* represents the per Subscriber present value of estimated upfront and future Contracted Cash Flows from Subscriber Additions in a period, discounted at the observed cost of capital in the period.
- *Aggregate Contracted Subscriber Value* represents Contracted Subscriber Value multiplied by Subscriber Additions.
- *Contracted Cash Flows* represent, (A) for Retained Subscribers, (x) (1) scheduled payments from Subscribers during the initial terms of the Customer Agreements (provided, that for Flex Customer Agreements that allow variable billings based on the amount of electricity consumed by the Subscriber, only the minimum contracted payment is included in Contracted Cash Flows), (2) net proceeds from tax equity partners, (3) payments from government and utility incentive and rebate programs, (4) contracted net cash flows from grid services programs with utilities or grid operators, and (5) contracted or defined (i.e., with fixed pricing) cash flows from the sale of renewable energy credits, less (y) (1) estimated operating and maintenance costs to service the systems and replace equipment over the initial terms of the Customer Agreements, consistent with estimates by independent engineers, (2) distributions to tax equity partners in consolidated joint venture partnership flip structures, and (3) distributions to any project equity investors, and (B) for Non-Retained or Partially Retained Subscribers, (x) contracted proceeds from the full or partial sale of related assets, plus (y) the share of Contracted Cash Flows described in clause (A) of this definition which are allocated to Sunrun pursuant to the terms of each sale agreement or partnership agreement.
- *Non-contracted or Upside Cash Flows* represent (A) for Retained Subscribers the (1) net cash flows realized from either the purchase of systems at the end of the Customer Agreement initial terms or renewals of Customer Agreements beyond the initial terms, estimated in both cases to have equivalent value, assuming only a 30-year relationship and a contract renewal rate equal to 90% of each Subscriber's contractual rate in effect at the end of the initial contract term, (2) non-contracted net cash flows from grid service programs with utilities and grid operators, (3) non-contracted net cash flows from the sale of renewable energy credits, and (4) contracted cash flows from Flex Customer Agreements exceeding the minimum contracted payment (provided, that for Flex Customer Agreements that allow variable billings based on the amount of electricity consumed by the Subscriber, an assumption is made that each Subscriber's electricity consumption increases by approximately 2% per year through the end of the initial term of the Customer Agreement and into the renewal period (if renewed), resulting in billings in excess of the minimum contracted amount (which minimums are included in Contracted Cash Flows)), and (B) for Non-Retained or Partially Retained Subscribers, the share of Non-contracted or Upside Cash Flows described in clause (A) of this definition which are allocated to Sunrun pursuant to the terms of each sale agreement or partnership agreement. 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.

- *Gross Earning Assets* is calculated as Contracted Gross Earning Assets plus Non-contracted or Upside Gross Earning Assets. Gross Earning Assets is forecasted as of a specific date. It is forward-looking, and we use judgment in developing the assumptions used to calculate it. Factors that could impact Gross Earning Assets include, but are not limited to, customer payment defaults, or declines in utility rates or early termination of a contract in certain circumstances, including prior to installation. We believe it is useful for investors to evaluate the future expected cash flows from all customers that have been deployed through the respective measurement date, less estimated costs to maintain such systems and estimated distributions to tax equity partners in partnership flip structures, and distributions to project equity investors. Various assumptions are made when calculating these metrics. Gross Earning Assets utilize a 6% unlevered discount rate to discount future cash flows to the present period. Furthermore, this metric assumes that customers renew after the initial contract period at a rate equal to 90% of the rate in effect at the end of the initial contract term. In all instances, we assume a 30-year customer relationship, although the customer may renew for additional years, or purchase the system. For instance, 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. Estimated cost of servicing assets has been deducted and is estimated based on the service agreements underlying each fund.
- *Contracted Gross Earning Assets* represents, as of any measurement date, the present value of estimated remaining Contracted Cash Flows that we expect to receive in future periods in relation to Subscribers as of the measurement date, discounted at 6%.
- *Non-contracted or Upside Gross Earning Assets* represents, as of any measurement date, the present value of estimated Non-contracted or Upside Cash Flows that we expect to receive in future periods in relation to Subscribers as of the measurement date, discounted at 6%. Preceding fiscal year 2025, this key operating metric was previously disclosed as "Gross Earning Assets Renewal Period," and was calculated in the same manner except that since the beginning of fiscal year 2025 we have (i) included the expected impact of our Flex product offering, which in prior periods had been an immaterial part of our business, and (ii) modified the title of the metric to Non-contracted or Upside Gross Earnings Assets.

|                                                      | Three months ended September 30, |              |
|------------------------------------------------------|----------------------------------|--------------|
|                                                      | 2025                             | 2024         |
| Subscriber Additions in period                       | 30,104                           | 30,348       |
| Contracted Subscriber Value (per Subscriber)         | \$ 48,507                        | \$ 44,551    |
| Aggregate Contracted Subscriber Value (in thousands) | \$ 1,460,248                     | \$ 1,352,027 |

|                                      | As of September 30, |           |
|--------------------------------------|---------------------|-----------|
|                                      | 2025                | 2024      |
| Networked Solar Capacity (megawatts) | 8,188               | 7,288     |
| Customers                            | 1,137,913           | 1,015,910 |

|                                               | As of September 30, |               |
|-----------------------------------------------|---------------------|---------------|
|                                               | 2025                | 2024          |
| <i>(in thousands)</i>                         |                     |               |
| Contracted Gross Earning Assets               | \$ 15,982,412       | \$ 12,964,438 |
| Non-contracted or Upside Gross Earning Assets | 4,868,591           | 3,815,274     |
| Gross Earning Assets                          | \$ 20,851,003       | \$ 16,779,712 |

The tables below provide a range of Gross Earning Asset amounts if different default, discount and purchase and renewal assumptions were used.

**Contracted Gross Earning Assets:**

| <b>Default rate</b> | <b>As of September 30, 2025</b> |               |               |               |               |  |
|---------------------|---------------------------------|---------------|---------------|---------------|---------------|--|
|                     | <b>Discount rate</b>            |               |               |               |               |  |
|                     | <b>4%</b>                       | <b>5%</b>     | <b>6%</b>     | <b>7%</b>     | <b>8%</b>     |  |
|                     | <b>(in thousands)</b>           |               |               |               |               |  |
| 15%                 | \$ 17,385,681                   | \$ 15,916,258 | \$ 14,638,489 | \$ 13,522,455 | \$ 12,543,462 |  |
| 10%                 | \$ 17,951,962                   | \$ 16,418,751 | \$ 15,086,463 | \$ 13,923,641 | \$ 12,904,331 |  |
| 5%                  | \$ 18,518,243                   | \$ 16,921,244 | \$ 15,534,438 | \$ 14,324,827 | \$ 13,265,200 |  |
| 0%                  | \$ 19,084,524                   | \$ 17,423,737 | \$ 15,982,412 | \$ 14,726,013 | \$ 13,626,070 |  |

**Non-contracted or Upside Gross Earning Assets:**

| <b>Purchase or Renewal rate</b> | <b>As of September 30, 2025</b> |              |              |              |              |  |
|---------------------------------|---------------------------------|--------------|--------------|--------------|--------------|--|
|                                 | <b>Discount rate</b>            |              |              |              |              |  |
|                                 | <b>4%</b>                       | <b>5%</b>    | <b>6%</b>    | <b>7%</b>    | <b>8%</b>    |  |
|                                 | <b>(in thousands)</b>           |              |              |              |              |  |
| 80%                             | \$ 6,164,873                    | \$ 5,109,812 | \$ 4,257,083 | \$ 3,564,747 | \$ 3,000,095 |  |
| 90%                             | \$ 7,059,340                    | \$ 5,847,628 | \$ 4,868,591 | \$ 4,073,950 | \$ 3,426,064 |  |
| 100%                            | \$ 7,953,805                    | \$ 6,585,443 | \$ 5,480,098 | \$ 4,583,153 | \$ 3,852,032 |  |

**Total Gross Earning Assets:**

| <b>Purchase or Renewal rate</b> | <b>As of September 30, 2025</b> |               |               |               |               |  |
|---------------------------------|---------------------------------|---------------|---------------|---------------|---------------|--|
|                                 | <b>Discount rate</b>            |               |               |               |               |  |
|                                 | <b>4%</b>                       | <b>5%</b>     | <b>6%</b>     | <b>7%</b>     | <b>8%</b>     |  |
|                                 | <b>(in thousands)</b>           |               |               |               |               |  |
| 80%                             | \$ 25,249,398                   | \$ 22,533,549 | \$ 20,239,495 | \$ 18,290,760 | \$ 16,626,165 |  |
| 90%                             | \$ 26,143,864                   | \$ 23,271,365 | \$ 20,851,003 | \$ 18,799,963 | \$ 17,052,134 |  |
| 100%                            | \$ 27,038,330                   | \$ 24,009,181 | \$ 21,462,510 | \$ 19,309,166 | \$ 17,478,102 |  |

**Critical Accounting Policies and Estimates**

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. In many instances, we could have reasonably used different accounting estimates, and in other instances, changes in the accounting estimates are reasonably likely to occur from period to period. Actual results could differ significantly from our estimates. Our future financial statements will be affected to the extent that our actual results materially differ from these estimates. For further information on all of our significant accounting policies, see Note 2, *Summary of Significant Accounting Policies* of our annual report on Form 10-K for the year ended December 31, 2024, filed on February 27, 2025.

We believe that policies associated with our principles of consolidation, revenue recognition, impairment of long-lived assets, provision for income taxes, business combinations and calculation of noncontrolling interests and redeemable noncontrolling interests have the greatest impact on our consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

## Revenue Recognition

We recognize revenue when control of goods or services is transferred to customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

*Customer Agreements and Incentives Revenue.* Customer agreements and incentives revenue is primarily comprised of revenue from our Customer Agreements and sales of solar renewable energy credits ("SRECs") to third parties.

We begin to recognize revenue from a Customer Agreement when permission to operate ("PTO") for the applicable solar energy system is given by the local utility company or on the date daily operation commences if utility approval is not required. For Customer Agreements that include a fixed fee per month which entitles the customer to any and all electricity generated by the system, we recognize revenue evenly over the time that we satisfy our performance obligations over the initial term of Customer Agreements. Customer Agreements typically have an initial term of 20 or 25 years. After the initial contract term, our Customer Agreements typically automatically renew annually or for a five year term.

We also apply for and receive SRECs associated with the energy generated by our solar energy systems and sell them to third parties in certain jurisdictions. SREC revenue is estimated net of any variable consideration related to possible liquidated damages if we were to deliver fewer SRECs than contractually committed, and is generally recognized upon delivery of the SRECs to the counterparty.

Certain upfront payments related to Customer Agreements and SRECs are deemed to have a financing component, and therefore increase both revenue and interest expense by the same amount over the term of the related agreement. The additional revenue is included in the total transaction price to be recorded over the term of the agreement and is recognized based on the timing of the delivery. The interest expense is recognized based upon an amortization schedule which typically decreases throughout the term of the related agreement.

Consideration from customers is considered variable due to the performance guarantee under Customer Agreements and liquidated damage provisions under SREC contracts in the event minimum deliveries are not achieved. Customer Agreements with a performance guarantee provide a credit to the customer if the system's cumulative production, as measured on various PTO anniversary dates, is below our guarantee of a specified minimum. Revenue is recognized to the extent it is probable that a significant reversal of such revenue will not occur. If our estimate of the future production shortfall amount for Customer Agreements with a performance guarantee was 10% higher, the additional reduction to revenue in the nine months ended September 30, 2025 would have been less than \$4.7 million. Our estimated production shortfall reduced revenue during the nine months ended September 30, 2025 by approximately \$9.8 million more than the prior year's period. We have historically estimated an immaterial amount of liquidated damages pursuant to SREC contracts, and actual damages have not been materially different from estimates, nor material in amount during the nine months ended September 30, 2025 and 2024.

*Solar Energy Systems and Product Sales.* Solar energy systems sales are revenue from the sale of solar energy systems directly to customers. We generally recognize revenue from solar energy systems sold to customers when the solar energy system passes inspection by the authority having jurisdiction, which inspection generally occurs after installation but prior to PTO, at which time we have met the performance obligation in the contract. For solar energy system sales that include delivery obligations up until interconnection to the local power grid with permission to operate, we recognize revenue at PTO.

Product sales revenue consists of revenue from the sale of batteries and other solar energy products sold to resellers, as well as the sale of customer leads to third parties, including our partners and other solar providers. Product sales revenue is recognized when control is transferred, generally upon shipment, or as services are delivered. Customer lead revenue is recognized at the time the lead is delivered.

## Impairment of Long-Lived Assets

The carrying values of our long-lived assets, including solar energy systems, are periodically reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable or that the useful life is shorter than originally estimated. Factors that we consider in deciding when to perform an impairment review would include significant negative industry or economic trends, and significant changes or planned changes in our use of the assets. Recoverability of these assets is measured by comparison of the carrying value of each asset group to the future undiscounted cash flows the asset is expected to generate over its remaining life. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset. If the useful life is shorter than originally estimated, we amortize the remaining carrying value over the new shorter useful life. During the three and nine months ended September 30, 2025 and 2024, there were no indicators of impairment and therefore no cash flow analysis was performed.

## Noncontrolling Interests and Redeemable Noncontrolling Interests

Our noncontrolling interests and redeemable noncontrolling interests represent fund investors' interests in the net assets of certain investment funds, which we consolidate, that we have entered into in order to finance the costs of solar energy facilities under Customer Agreements. We have determined that the provisions in the contractual arrangements of the investment funds represent substantive profit-sharing arrangements, which gives rise to the noncontrolling interests and redeemable noncontrolling interests. We have further determined that for all but two of these arrangements, the appropriate methodology for attributing income and loss to the noncontrolling interests and redeemable noncontrolling interests each period is a balance sheet approach using the HLBV method.

Attributing income and loss to the noncontrolling interests and redeemable noncontrolling interests under the HLBV method requires the use of various inputs to calculate the amounts that fund investors would receive upon a hypothetical liquidation. Changes in these inputs, including change in tax rates, can have a significant impact on the amount that fund investors would receive upon a hypothetical liquidation.

We classify certain noncontrolling interests with redemption features that are not solely within our control outside of permanent equity on our consolidated balance sheets. Redeemable noncontrolling interests are reported using the greater of their carrying value at each reporting date as determined by the HLBV method or their estimated redemption value in each reporting period. Estimating the redemption value of the redeemable noncontrolling interests requires the use of significant assumptions and estimates such as projected future cash flows at the time the redemption feature can be exercised.

We determine the net income (loss) attributable to common stockholders by deducting from net income (loss), the net income (loss) attributable to noncontrolling interests and redeemable noncontrolling interests in these funds. The net income (loss) attributable to noncontrolling interests and redeemable noncontrolling interests represents the fund investors' allocable share in the results of operations of these investment funds. For these funds, we have determined that the provisions in the contractual arrangements represent substantive profit-sharing arrangements, where the allocations to the partners sometimes differ from the stated ownership percentages. We have further determined that, for these arrangements, the appropriate methodology for attributing income and loss to the noncontrolling interests and redeemable noncontrolling interests each period is a balance sheet approach using the HLBV method. Under the HLBV method, the amounts of income and loss attributed to the noncontrolling interests and redeemable noncontrolling interests in the consolidated statements of operations reflect changes in the amounts the fund investors would hypothetically receive at each balance sheet date under the liquidation provisions of the contractual provisions of these funds, assuming the net assets of the respective investment funds were liquidated at the carrying value determined in accordance with GAAP. The fund investors' interest in the results of operations of these investment funds is initially determined by calculating the difference in the noncontrolling interests and redeemable noncontrolling interests' claim under the HLBV method at the start and end of each reporting period, after taking into account any contributions and distributions between the fund and the fund investors and subject to the redemption provisions in certain funds.

The calculation of HLBV does not require estimates since each HLBV calculation is based upon the liquidation provisions of each fund's contractual agreement. The calculation of the redeemable noncontrolling interest balance involves estimates such as a discount rate used in net present value calculations, and customer default rates. If the assumptions used for each of these were 10% higher, the impact to the aggregate redeemable noncontrolling interest balance as of September 30, 2025 would be a reduction of \$20.9 million.

## Results of Operations

The results of operations presented below should be reviewed in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

|                                                                                                         | Three Months Ended September 30, |             | Nine Months Ended September 30, |              |
|---------------------------------------------------------------------------------------------------------|----------------------------------|-------------|---------------------------------|--------------|
|                                                                                                         | 2025                             | 2024        | 2025                            | 2024         |
| <i>(in thousands, except per share data)</i>                                                            |                                  |             |                                 |              |
| Revenue:                                                                                                |                                  |             |                                 |              |
| Customer agreements and incentives                                                                      | \$ 491,600                       | \$ 405,861  | \$ 1,352,520                    | \$ 1,116,653 |
| Solar energy systems and product sales                                                                  | 232,957                          | 131,312     | 445,644                         | 402,574      |
| Total revenue                                                                                           | 724,557                          | 537,173     | 1,798,164                       | 1,519,227    |
| Operating expenses:                                                                                     |                                  |             |                                 |              |
| Cost of customer agreements and incentives                                                              | 315,811                          | 308,382     | 969,816                         | 876,581      |
| Cost of solar energy systems and product sales                                                          | 165,480                          | 125,312     | 366,422                         | 411,591      |
| Sales and marketing                                                                                     | 164,798                          | 162,490     | 463,247                         | 466,411      |
| Research and development                                                                                | 9,267                            | 8,180       | 27,309                          | 30,510       |
| General and administrative                                                                              | 65,550                           | 60,587      | 194,856                         | 173,082      |
| Total operating expenses                                                                                | 720,906                          | 664,951     | 2,021,650                       | 1,958,175    |
| Income (Loss) from operations                                                                           | 3,651                            | (127,778)   | (223,486)                       | (438,948)    |
| Interest expense, net                                                                                   | (265,788)                        | (215,615)   | (740,359)                       | (614,981)    |
| Other (expense) income, net                                                                             | (17,880)                         | (82,598)    | (77,807)                        | 71,710       |
| Loss before income taxes                                                                                | (280,017)                        | (425,991)   | (1,041,652)                     | (982,219)    |
| Income tax benefit                                                                                      | (2,172)                          | (13,803)    | (207,652)                       | (26,953)     |
| Net loss                                                                                                | (277,845)                        | (412,188)   | (834,000)                       | (955,266)    |
| Net loss attributable to noncontrolling interests and redeemable noncontrolling interests               | (294,434)                        | (328,422)   | (1,180,373)                     | (922,756)    |
| Net (loss) income attributable to common stockholders                                                   | \$ 16,589                        | \$ (83,766) | \$ 346,373                      | \$ (32,510)  |
| Net (loss) income per share attributable to common stockholders                                         |                                  |             |                                 |              |
| Basic                                                                                                   | \$ 0.07                          | \$ (0.37)   | \$ 1.51                         | \$ (0.15)    |
| Diluted                                                                                                 | \$ 0.06                          | \$ (0.37)   | \$ 1.33                         | \$ (0.15)    |
| Weighted average shares used to compute net (loss) income per share attributable to common stockholders |                                  |             |                                 |              |
| Basic                                                                                                   | 230,980                          | 223,695     | 228,868                         | 222,078      |
| Diluted                                                                                                 | 267,473                          | 223,695     | 262,196                         | 222,078      |

## Comparison of the Three Months Ended September 30, 2025 and 2024

### Revenue

|                                        | Three Months Ended September 30, |            | Change     |       |
|----------------------------------------|----------------------------------|------------|------------|-------|
|                                        | 2025                             | 2024       | \$         | %     |
|                                        | <i>(in thousands)</i>            |            |            |       |
| Customer agreements                    | \$ 458,460                       | \$ 368,641 | \$ 89,819  | 24 %  |
| Incentives                             | 33,140                           | 37,220     | (4,080)    | (11)% |
| Customer agreements and incentives     | 491,600                          | 405,861    | 85,739     | 21 %  |
| Solar energy systems                   | 164,789                          | 47,189     | 117,600    | 249 % |
| Products                               | 68,168                           | 84,123     | (15,955)   | (19)% |
| Solar energy systems and product sales | 232,957                          | 131,312    | 101,645    | 77 %  |
| Total revenue                          | \$ 724,557                       | \$ 537,173 | \$ 187,384 | 35 %  |

*Customer Agreements and Incentives.* The \$89.8 million increase in Revenue from Customer Agreements was primarily due to new systems placed in service in the period from October 1, 2024 through September 30, 2025, plus a full quarter of revenue recognized in 2025 for systems placed in service in the third quarter of 2024 versus only a partial amount of such revenue related to the period in which the assets were in service in 2024. Revenue from incentives consisted primarily of sales of SRECs. The \$4.1 million decrease related to the timing and volume of SREC sales, which were responsive to market conditions.

*Solar Energy Systems and Product Sales.* Revenue from solar energy systems sales increased by 249% compared to the prior year primarily due to a transaction that Sunrun entered into in the third quarter of 2025 whereby certain storage and solar energy systems subject to newly originated Customer Agreements are sold to a third party, while Sunrun continues to maintain the customer experience and servicing relationships and can sell future goods and services to these customers. Product sales decreased by \$16.0 million, primarily due to the lower average sales price of solar energy products, as well as lower sales volume of solar energy products to installers of solar energy systems compared to the prior year, due to easing of supply chain constraints.

### Operating Expenses

|                                                | Three Months Ended September 30, |            | Change    |      |
|------------------------------------------------|----------------------------------|------------|-----------|------|
|                                                | 2025                             | 2024       | \$        | %    |
|                                                | <i>(in thousands)</i>            |            |           |      |
| Cost of customer agreements and incentives     | \$ 315,811                       | \$ 308,382 | \$ 7,429  | 2 %  |
| Cost of solar energy systems and product sales | 165,480                          | 125,312    | 40,168    | 32 % |
| Sales and marketing                            | 164,798                          | 162,490    | 2,308     | 1 %  |
| Research and development                       | 9,267                            | 8,180      | 1,087     | 13 % |
| General and administrative                     | 65,550                           | 60,587     | 4,963     | 8 %  |
| Total operating expenses                       | \$ 720,906                       | \$ 664,951 | \$ 55,955 | 8 %  |

*Cost of Customer Agreements and Incentives.* The \$7.4 million increase in Cost of Customer Agreements and Incentives was primarily due to the new systems placed in service in the period from October 1, 2024 through September 30, 2025, plus a full quarter of costs recognized in 2025 for systems placed in service in the third quarter of 2024 versus only a partial amount of such expenses related to the period in which the assets were in service in 2024.

The Cost of customer agreements and incentives decreased to 64% of customer agreements and incentives revenue during the three months ended September 30, 2025, from 76% during the three months ended September 30, 2024. This decrease is primarily due to customer pricing increases catching up to costs.

**Cost of Solar Energy Systems and Product Sales.** The \$40.2 million increase in Cost of solar energy systems and product sales was primarily due to the corresponding net increase in the solar energy systems and product sales discussed above.

The Cost of solar energy systems and product sales decreased to 71% of revenue from solar energy systems and product sales during the quarter ended September 30, 2025, from 95% during the quarter ended September 30, 2024, primarily due to the increase in system sales to a third party related to the transaction Sunrun entered in Q3 2025 discussed above.

**Sales and Marketing Expense.** The \$2.3 million increase in Sales and marketing expense was primarily attributable to an increase in costs to acquire customers through our sales lead generating partners. Included in Sales and marketing expense is \$25.8 million and \$20.9 million of amortization of costs to obtain Customer Agreements for the three months ended September 30, 2025 and 2024, respectively.

**Research and Development Expense.** The \$1.1 million increase in Research and development expense was primarily attributable to an increase in headcount driving higher employee compensation.

**General and Administrative Expense.** The \$5.0 million increase in General and administrative expenses was primarily attributable to increases related to information technology related consulting costs.

#### **Non-Operating Expenses, net**

|                       | Three Months Ended September 30, |              | Change      |       |
|-----------------------|----------------------------------|--------------|-------------|-------|
|                       | 2025                             | 2024         | \$          | %     |
|                       | <i>(in thousands)</i>            |              |             |       |
| Interest expense, net | \$ (265,788)                     | \$ (215,615) | \$ (50,173) | 23 %  |
| Other expense, net    | \$ (17,880)                      | \$ (82,598)  | \$ 64,718   | (78)% |

**Interest Expense, net.** The increase in interest expense, net of \$50.2 million was primarily related to additional non-recourse debt entered into subsequent to September 30, 2024. Included in net interest expense is \$9.6 million and \$8.8 million of non-cash interest recognized under Customer Agreements that have a significant financing component for the three months ended September 30, 2025 and 2024, respectively.

**Other Expense, net.** The decrease in other expense, net of \$64.7 million related primarily to a decrease in losses on derivatives recognized in the three months ended September 30, 2025, compared with losses recognized during the three months ended September 30, 2024.

#### **Income Tax Benefit**

|                    | Three Months Ended September 30, |             | Change    |       |
|--------------------|----------------------------------|-------------|-----------|-------|
|                    | 2025                             | 2024        | \$        | %     |
|                    | <i>(in thousands)</i>            |             |           |       |
| Income tax benefit | \$ (2,172)                       | \$ (13,803) | \$ 11,631 | 100 % |

The decrease in income tax benefit of \$11.6 million was primarily attributable to decreased benefit from transferring investment tax credits.

**Net Loss Attributable to Noncontrolling Interests and Redeemable Noncontrolling Interests**

|                                                                                           | Three Months Ended September 30, |              | Change    |       |
|-------------------------------------------------------------------------------------------|----------------------------------|--------------|-----------|-------|
|                                                                                           | 2025                             | 2024         | \$        | %     |
|                                                                                           | <i>(in thousands)</i>            |              |           |       |
| Net loss attributable to noncontrolling interests and redeemable noncontrolling interests | \$ (294,434)                     | \$ (328,422) | \$ 33,988 | (10)% |

The decrease in net loss attributable to noncontrolling interest and redeemable noncontrolling interests was primarily the result of the addition of new investment funds later in the year in fiscal year 2025 as compared to fiscal year 2024, for which the HLBV method was used in determining the amount of net loss attributable to noncontrolling interests. Investment funds generally allocate more loss to the noncontrolling interest in the first several periods after fund formation.

**Comparison of the Nine Months Ended September 30, 2025 and 2024**
**Revenue**

|                                        | Nine Months Ended September 30, |              | Change     |       |
|----------------------------------------|---------------------------------|--------------|------------|-------|
|                                        | 2025                            | 2024         | \$         | %     |
|                                        | <i>(in thousands)</i>           |              |            |       |
| Customer agreements                    | \$ 1,273,259                    | \$ 1,030,859 | \$ 242,400 | 24 %  |
| Incentives                             | 79,261                          | 85,794       | (6,533)    | (8)%  |
| Customer agreements and incentives     | 1,352,520                       | 1,116,653    | 235,867    | 21 %  |
| Solar energy systems                   | 242,731                         | 167,535      | 75,196     | 45 %  |
| Products                               | 202,913                         | 235,039      | (32,126)   | (14)% |
| Solar energy systems and product sales | 445,644                         | 402,574      | 43,070     | 11 %  |
| Total revenue                          | \$ 1,798,164                    | \$ 1,519,227 | \$ 278,937 | 18 %  |

*Customer Agreements and Incentives.* The \$242.4 million increase in Revenue from Customer Agreements was primarily due to new systems placed in service in the period from October 1, 2024 through September 30, 2025, plus a full nine months of revenue recognized in 2025 for systems placed in service in the first nine months of 2024 versus only a partial amount of such revenue related to the period in which the assets were in service in 2024. Revenue from incentives consisted primarily of sales of SRECs. The \$6.5 million decrease related to the timing and volume of SREC sales which were responsive to market conditions.

*Solar Energy Systems and Product Sales.* Revenue from solar energy systems sales increased by \$75.2 million compared to the prior year primarily due to a transaction that Sunrun entered into in the third quarter of 2025 whereby certain storage and solar energy systems subject to newly originated Customer Agreements are sold to a third party, while Sunrun continues to maintain the customer experience and servicing relationships and can sell future goods and services to these customers, partially offset by an increase in the proportion of customers choosing to enter into a Customer Agreement versus purchasing a system outright using a loan, likely due to increased interest rates. Product sales decreased by \$32.1 million, primarily due to the lower average sales price of solar energy products, as well as lower sales volume of solar energy products to installers of solar energy systems compared to the prior year, due to easing of supply chain constraints.

## Operating Expenses

|                                                | Nine Months Ended September 30, |              | Change    |       |
|------------------------------------------------|---------------------------------|--------------|-----------|-------|
|                                                | 2025                            | 2024         | \$        | %     |
|                                                | (in thousands)                  |              |           |       |
| Cost of customer agreements and incentives     | \$ 969,816                      | \$ 876,581   | \$ 93,235 | 11 %  |
| Cost of solar energy systems and product sales | 366,422                         | 411,591      | (45,169)  | (11)% |
| Sales and marketing                            | 463,247                         | 466,411      | (3,164)   | (1)%  |
| Research and development                       | 27,309                          | 30,510       | (3,201)   | (10)% |
| General and administrative                     | 194,856                         | 173,082      | 21,774    | 13 %  |
| Total operating expenses                       | \$ 2,021,650                    | \$ 1,958,175 | \$ 63,475 | 3 %   |

**Cost of Customer Agreements and Incentives.** The \$93.2 million increase in Cost of Customer Agreements and Incentives was primarily due to the new systems placed in service in the period from October 1, 2024 through September 30, 2025, plus a full nine months of costs recognized in 2025 for systems placed in service in the nine months of 2024 versus only a partial amount of such expenses related to the period in which the assets were in service in 2024.

The Cost of customer agreements and incentives decreased to 72% of customer agreements and incentives revenue during the nine months ended September 30, 2025, from 79% during the nine months ended September 30, 2024. This decrease was primarily due to customer pricing increases catching up to costs.

**Cost of Solar Energy Systems and Product Sales.** The \$45.2 million decrease in Cost of solar energy systems and product sales was primarily due to an increase in the proportion of customers choosing to enter into a Customer Agreement versus purchasing a system outright using a loan, likely due to increased interest rates, partially offset by an increase in system sales to a third party related to the transaction Sunrun entered in Q3 2025 discussed above.

The Cost of solar energy systems and product sales decreased to 82% of revenue from solar energy systems and product sales during the nine months ended September 30, 2025, from 102% during the nine months ended September 30, 2024, primarily as the result of a \$22.1 million increase in inventory reserves related to the wind-down of the AEE Solar operations during the nine months ended September 30, 2024, with no such comparable activity in the nine months ended September 30, 2025, customer pricing increases catching up to costs, as well as to the increase in system sales to a third party related to the transaction Sunrun entered in Q3 2025 discussed above.

**Sales and Marketing Expense.** The \$3.2 million decrease in Sales and marketing expense was primarily attributable to decreases in headcount driving lower employee compensation. Included in Sales and marketing expense is \$71.2 million and \$55.2 million of amortization of costs to obtain Customer Agreements for the nine months ended September 30, 2025 and 2024, respectively.

**Research and Development Expense.** The \$3.2 million decrease in Research and development expense was primarily attributable to a decrease in support related consulting costs, as well as a decline in employee compensation.

**General and Administrative Expense.** The \$21.8 million increase in General and administrative expenses was primarily attributable to increases related to information technology related consulting costs, as well as increased employee compensation costs.

**Non-Operating Expenses, net**

|                             | Nine Months Ended September 30, |              | Change       |        |
|-----------------------------|---------------------------------|--------------|--------------|--------|
|                             | 2025                            | 2024         | \$           | %      |
|                             | <i>(in thousands)</i>           |              |              |        |
| Interest expense, net       | \$ (740,359)                    | \$ (614,981) | \$ (125,378) | 20 %   |
| Other (expense) income, net | \$ (77,807)                     | \$ 71,710    | \$ (149,517) | (209)% |

*Interest Expense, net.* The increase in interest expense, net of \$125.4 million was primarily related to additional non-recourse debt entered into subsequent to September 30, 2024. Included in net interest expense is \$28.2 million and \$25.7 million of non-cash interest recognized under Customer Agreements that have a significant financing component for the nine months ended September 30, 2025 and 2024, respectively.

*Other (Expense) Income, net.* The decrease in other (expense) income, net of \$149.5 million related primarily to an losses on derivatives recognized in the nine months ended September 30, 2025, as well as to gains on extinguishment of debt during the nine months ended September 30, 2024, with no such comparable activity in the nine months ended September 30, 2025.

**Income Tax Benefit**

|                    | Nine Months Ended September 30, |             | Change       |       |
|--------------------|---------------------------------|-------------|--------------|-------|
|                    | 2025                            | 2024        | \$           | %     |
|                    | <i>(in thousands)</i>           |             |              |       |
| Income tax benefit | \$ (207,652)                    | \$ (26,953) | \$ (180,699) | 670 % |

The increase in income tax benefit of \$180.7 million is primarily attributable to increased benefit from transferring investment tax credits.

**Net Loss Attributable to Noncontrolling Interests and Redeemable Noncontrolling Interests**

|                                                                                           | Nine Months Ended September 30, |              | Change       |      |
|-------------------------------------------------------------------------------------------|---------------------------------|--------------|--------------|------|
|                                                                                           | 2025                            | 2024         | \$           | %    |
|                                                                                           | <i>(in thousands)</i>           |              |              |      |
| Net loss attributable to noncontrolling interests and redeemable noncontrolling interests | \$ (1,180,373)                  | \$ (922,756) | \$ (257,617) | 28 % |

The increase in net loss attributable to noncontrolling interests and redeemable noncontrolling interests was primarily the result of an addition of seven new investment funds since September 30, 2024, for which the HLBV method was used in determining the amount of net loss attributable to noncontrolling interests. Investment funds generally allocate more loss to the noncontrolling interest in the first several years after fund formation.

**Liquidity and Capital Resources**

As of September 30, 2025, we had cash of \$709.1 million, which consisted of cash held in checking and savings accounts with financial institutions. We finance our operations mainly through a variety of financing fund arrangements that we have formed with fund investors, cash generated from our sources of revenue and borrowings from secured credit facilities arrangements with syndicates of banks and from secured, long-term non-recourse loan arrangements. In 2024, we received \$3.4 billion of new commitments on secured credit facilities arrangements and \$1.5 billion of commitments from secured, long-term non-recourse loan arrangements. Our principal uses of cash are funding our business, including the costs of acquisition and installation of solar energy systems, satisfaction of our obligations under our debt instruments and other working capital requirements. As of September 30, 2025, we had outstanding borrowings of \$319.2 million on our \$447.5 million credit facility maturing in March 2027. In February 2024, we amended one of our subsidiary's senior secured credit facility to, among other things, increase the total commitments from \$1.8 billion to \$2.4 billion and extend the maturity date from April 2025 to April 2028. In July 2024, we amended the same senior secured credit facility to increase total commitments from \$2.4 billion to \$2.6 billion. In February 2024, we amended our bank line of credit to, among other things, reduce the

total commitments from \$600.0 million to \$447.5 million, and to extend the maturity date from January 2025 to November 2025. As of September 30, 2024, this maturity date was automatically extended to March 1, 2027, due to us maintaining funds on deposit in a collateral account equal to an amount sufficient to repay at the scheduled maturity all of our 0% Senior Convertible Notes due 2026 that are outstanding as of September 30, 2024 and being otherwise in compliance with our quarter-end liquidity covenant. For further information regarding certain of the impacts our ability to raise capital on our business, see Part II, Item 1A. *Risk Factors—Risks Related to Our Operating Structure and Financing Activities*—"We need to raise capital to finance the continued growth of our operations and solar service business. If capital is not available to us on acceptable terms, as and when needed, our business and prospects would be materially and adversely impacted. In addition, our business is affected by general economic conditions and related uncertainties affecting markets in which we operate. Volatility in current economic conditions could adversely impact our business, including our ability to raise financing."

Additionally, we have purchase commitments, which have the ability to be canceled without significant penalties, with multiple suppliers to purchase \$354.8 million of batteries by the end of the third quarter of 2026 and to purchase \$1.3 billion of photovoltaic modules, inverters and batteries between fiscal 2026 and fiscal 2029. In February 2024, we issued \$475.0 million of convertible senior notes with a maturity date of March 1, 2030, for net proceeds of approximately \$470.1 million. Our business model requires substantial outside financing arrangements to grow the business and facilitate the deployment of additional solar energy systems. The solar energy systems that are operational are expected to generate a positive return rate over the term of the Customer Agreement, typically 20 or 25 years. However, in order to grow, we will continue to be dependent on financing from outside parties. If financing is not available to us on acceptable terms if and when needed, we may be required to reduce planned spending, which could have a material adverse effect on our operations. While there can be no assurances, we anticipate raising additional required capital from new and existing investors. We believe our cash, investment fund commitments and available borrowings as further described below will be sufficient to meet our anticipated cash needs for at least the next 12 months. We believe we will meet longer-term expected future cash requirements and obligations through a combination of cash flows from operating activities, available cash balances, and available credit via our credit facilities. The following table summarizes our cash flows for the periods indicated:

|                                           | Nine Months Ended September 30, |              |
|-------------------------------------------|---------------------------------|--------------|
|                                           | 2025                            | 2024         |
|                                           | (in thousands)                  |              |
| <b>Consolidated cash flow data:</b>       |                                 |              |
| Net cash used in operating activities     | \$ (518,388)                    | \$ (507,794) |
| Net cash used in investing activities     | (2,091,483)                     | (1,908,612)  |
| Net cash provided by financing activities | 2,818,211                       | 2,439,185    |
| Net change in cash and restricted cash    | \$ 208,340                      | \$ 22,779    |

### **Operating Activities**

During the nine months ended September 30, 2025, we used \$518.4 million in net cash from operating activities. The driver of our operating cash outflow consisted of the cost of our revenue, as well as sales, marketing and general and administrative costs. During the nine months ended September 30, 2025, our operating cash outflows were \$124.1 million from our net loss excluding non-cash and non-operating items. Changes in working capital resulted in a net cash outflow of \$394.3 million.

During the nine months ended September 30, 2024, we used \$507.8 million in net cash from operating activities. The driver of our operating cash outflow consisted of the cost of our revenue, as well as sales, marketing and general and administrative costs. During the nine months ended September 30, 2024, our operating cash outflows were \$344.1 million from our net loss excluding non-cash and non-operating items. Changes in working capital resulted in a net cash inflow of \$163.7 million.

### **Investing Activities**

During the nine months ended September 30, 2025, we used \$2.1 billion in cash in investing activities. The majority was used to design, acquire and install solar energy systems and components under our long-term Customer Agreements.

During the nine months ended September 30, 2024, we used \$1.9 billion in cash in investing activities. The majority was used to design, acquire and install solar energy systems and components under our long-term Customer Agreements.

### **Financing Activities**

During the nine months ended September 30, 2025, we generated \$2.8 billion from financing activities. This was primarily driven by \$1.3 billion in net proceeds from fund investors, \$1.6 billion in net proceeds from debt (which includes \$214.8 million of normal amortization for existing debt), offset by \$19.0 million in repayments under finance lease obligations.

During the nine months ended September 30, 2024, we generated \$2.4 billion from financing activities. This was primarily driven by \$1.6 billion in net proceeds from debt (which includes \$188.2 million of normal amortization for existing debt), \$816.6 million in net proceeds from fund investors, \$12.0 million in net proceeds from stock-based awards activity and \$5.2 million in proceeds from state tax credits, net of recapture, offset by \$21.4 million in acquisition of noncontrolling interests and \$20.6 million in repayments under finance lease obligations.

### **Debt and Investment Fund Commitments**

As of September 30, 2025, we had committed and available capital of approximately \$109.2 million that may only be used to purchase and install solar energy systems. We intend to establish new investment funds in the future, and we may also use debt, equity or other financing strategies to finance our business. For a discussion of the terms and conditions of debt instruments and changes thereof in the period, refer to Note 8, *Indebtedness*, to our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### **Recent Accounting Pronouncements**

See Note 2, *Summary of Significant Accounting Policies*, to our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We are exposed to certain market risks in the ordinary course of our business. Our primary exposure includes changes in interest rates because certain borrowings bear interest at floating rates based on SOFR, plus a specified margin. We sometimes manage our interest rate exposure on floating-rate debt by entering into derivative instruments to hedge all or a portion of our interest rate exposure in certain debt facilities. We do not enter into any derivative instruments for trading or speculative purposes. Changes in economic conditions could result in higher interest rates, thereby increasing our interest expense and operating expenses and reducing funds available for capital investments, operations and other purposes. For quantitative and qualitative disclosures about market risk, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of our annual report on Form 10-K for the year ended December 31, 2024, filed on February 27, 2025. Our exposures to market risk have not changed materially since December 31, 2024.

### **Item 4. Controls and Procedures**

#### *Evaluation of Disclosure Controls and Procedures*

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of our "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q.

In connection with that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective and designed to provide reasonable assurance that the information required to be disclosed is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms as of September 30, 2025. As such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, "disclosure controls and procedures" means controls and other procedures of a

company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

*Changes in Internal Control over Financial Reporting*

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings.

See Note 14, *Commitments and Contingencies*, to our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### Item 1A. Risk Factors.

*Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Quarterly Report on Form 10-Q, including the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes, before making a decision to invest in our common stock. The risks and uncertainties described below may not be the only ones we face. If any of the risks actually occur, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment.*

#### Risks Related to the Battery Storage and Solar Industry

**The battery storage and solar energy industry is an emerging market which is constantly evolving and may not develop to the size or at the rate we expect.**

The battery storage and solar energy industry is an emerging and constantly evolving market opportunity. We believe the battery storage and solar energy industry is evolving and maturing, and we cannot be certain that the market will grow to the size or at the rate we expect. For example, we have experienced increases in cancellations of our Customer Agreements in certain geographic markets during various periods in our operating history. Any future growth of the solar energy market and the success of our offerings depend on many factors beyond our control, including recognition and acceptance of the battery storage and solar service market by consumers, the pricing of alternative sources of energy, a favorable regulatory environment, the continuation of expected tax benefits and other incentives, and our ability to provide our storage and solar service offerings cost effectively. If the markets for battery storage and solar energy do not develop to the size or at the rate we expect, our business may be adversely affected.

Home battery storage and solar energy has yet to achieve broad market acceptance and depends in part on continued support in the form of rebates, tax credits, and other incentives from federal, state and local governments. For example, the most notable recent federal tax legislation affecting our business is the OBBB, that President Trump signed into law on July 4, 2025. The new law makes adverse changes to tax policies that we rely upon, including the Section 48E Clean Electricity Investment Credit and its associated “bonus” credits. The law maintains the Section 48E credit for energy storage through 2033, and it shortens the availability of the 48E credit for solar facilities to the end of 2027. The law also applies new “Prohibited Foreign Entity” (“PFE”) restrictions to the Section 48E credit, which could potentially deny tax credits to entities owned, controlled, or influenced by certain specified foreign entities, and for projects that use certain components or receive “material assistance” from certain prohibited foreign entities, thereby potentially increasing costs and potentially reducing demand, or restricting access to tax credits. Further, the law ends the Section 25D Residential Clean Energy Credit starting in 2026. Additionally, there have been significant changes in the residential solar policy and pricing framework in California, which is one of our key markets and represents over 45% of our customer base. Changes to California’s net metering policy, with the new billing regime implemented in April 2023, presented a significant change to the financial credits California customers receive from our solar and battery systems and may limit the financial attractiveness of our offerings in this market, particularly for solar-only systems. Originations in California are below levels prior to the Net Billing Tariff (“NBT”) transition, and without further increases in originations, our new installations in California may continue to decline compared to prior periods, which could have a material adverse effect on our business operations and financial performance. If support diminishes materially for solar or storage policy related to rebates, tax credits, bill crediting, or other incentives, our ability to obtain external financing on acceptable terms, or at all, could be materially adversely affected. These types of funding limitations could lead to inadequate financing support for the anticipated growth in our business. Furthermore, growth in residential solar energy depends in part on macroeconomic conditions, retail prices of electricity and customer preferences, each of which can change quickly. Declining macroeconomic conditions, including in job markets and residential real estate markets, could contribute to instability and uncertainty among customers and impact their financial wherewithal, credit scores or interest in entering into long-term contracts, even if such contracts would generate immediate and long-term savings.

Furthermore, market prices of retail electricity generated by utilities or other energy sources could decline for a variety of reasons, as discussed further below. Any declines in macroeconomic conditions, changes in retail prices of electricity or changes in customer preferences would adversely impact our business.

Meeting soaring demand for electricity and achieving net zero emissions will require an unprecedented transformation of American energy systems and the adoption of a wide variety of clean energy, storage, and home electrification solutions. Our successful, efficient deployment of such products will depend on several factors outside our control, including shifting market conditions and policy frameworks. Our failure to adapt to changing market conditions, to compete successfully with existing or new competitors, and to adopt new or enhanced offerings could limit our growth and have a material adverse effect on our business and prospects.

**We have historically benefited from declining costs in our industry, and our business and financial results may be harmed as a result of recent and any continued increases in costs associated with our solar service offerings and any failure of these costs to continue declining as we currently expect. If we do not reduce our cost structure in the future, our ability to continue to be profitable may be impaired.**

Declining costs related to raw materials, manufacturing and the sale and installation of our solar service offerings have been a key driver in the pricing of our solar service offerings and, more broadly, customer adoption of solar energy. While historically the prices of solar panels and raw materials have declined, the cost of solar panels and raw materials have at times increased and may increase in the future, and such products' availability could decrease, due to a variety of factors, including supply chain disruptions, inflation, tariffs and trade barriers, export regulations, geopolitical conflicts, regulatory or contractual limitations, industry market requirements, and changes in technology and industry standards.

U.S. trade and tariff policy regarding solar energy equipment has experienced a high level of activity in recent years, under both the current and previous Administrations. Most recently, on July 1, 2025, the U.S. Commerce Department launched an investigation under Section 232 of the Trade Expansion Act of 1962 into imported polysilicon, a key component in solar panels. If the investigation finds that imported polysilicon poses a national security threat to the United States, the Administration could impose tariffs on those imports, potentially increasing the price of some of the equipment we procure.

In addition, on April 21, 2025, the U.S. Commerce Department issued final anti-dumping ("AD") and countervailing duty ("CVD") rates on crystalline solar cells and modules imported from Vietnam, Malaysia, Thailand and Cambodia. These countries have supplied the majority of imported solar cells and modules to the United States in the past, and now face new country-wide final AD or CVD tariff rates ranging from 1.92% to 534.67%. The Commerce Department also imposed new tariffs on individual cell and module manufacturers in those countries. The imposition of tariffs generally has an inflationary effect on module prices for solar energy equipment installers, including us.

In addition, U.S. laws and regulations intended to prevent the importation of goods manufactured with forced labor has and could continue to affect our business operations and supply chain, including ongoing enforcement of the Uyghur Forced Labor Prevention Act and the withhold release order ("WRO") that U.S. Customs and Border Protection ("CBP") issued on June 24, 2021 applicable to certain silica-based products manufactured in the Xinjiang Uyghur Autonomous Region of China. Intensive examinations, withhold release orders, and related governmental procedures have resulted in supply chain and operational delays throughout the industry, and we have implemented policies and procedures to maintain compliance and minimize delays. These and similar trade restrictions that may be imposed in the future could cause delivery and installation delays, and restrict the global supply of polysilicon and solar products. This could result in near-term demand for available solar energy systems despite higher costs, increased costs of polysilicon and the overall cost of solar energy systems, and equipment shortages, potentially reducing overall demand for and limiting the supply of our products and services.

Since January 2025, we have faced substantial trade policy volatility, marked by escalating tariffs and trade investigations that create substantial uncertainty in our supply chain and cost structure. In April, the Administration implemented broad "reciprocal" tariffs, including a 10% baseline tariff on most imports. Following a 90-day pause to allow for bilateral negotiations, country-specific reciprocal tariffs took effect on August 7, 2025, with rates now ranging from 10% to 50% depending on the country of origin. Existing tariffs on steel, copper and aluminum were notably already increased to 50% for most countries, with specific exemptions for the UK. Additionally, investigations into potential tariffs on lumber imports are ongoing, alongside other sector and country-specific actions. The legal standing of some reciprocal tariffs is currently under federal court review, though these rulings are stayed pending appeal, meaning the announced tariffs remain in effect.

The trade relationship with China has seen particularly aggressive and fluctuating tariff escalations. While final tariff rates have yet to be determined, other pre-existing U.S. tariffs on Chinese goods generally persist, can change more frequently than previously, and are additive. The highly fluid situation with China is potentially subject to further changes as this 90-day pause period concludes and with the ongoing sector-specific investigations into polysilicon and semiconductors.

These developments compound existing trade measures, including the previously discussed AD/CVD tariffs on solar cells and modules and the 50% Section 232 tariffs on steel and aluminum. The cumulative effect impacts both our direct equipment procurement costs and the expenses faced by our U.S.-based component suppliers, whose manufacturing inputs are subject to these tariffs.

The unpredictable nature of these policy changes, including their scale, scope, and implementation timeline, creates significant challenges for cost forecasting and supply chain management. While we are actively collaborating with suppliers to establish alternative, less impacted supply chains, these transitions require substantial time for development and scaling. We cannot guarantee that these mitigation efforts will fully offset the adverse effects of these tariff increases on our business operations, financial condition, and results of operations.

We cannot predict what actions may ultimately be taken with respect to tariffs or trade relations between the United States and other countries, which products may be subject to such actions, or what actions may be taken by other countries in retaliation. The tariffs described above, the adoption and expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs, trade agreements or related policies have the potential to adversely impact our supply chain and access to equipment, and our costs and ability to economically serve certain markets. Any such cost increases or decreases in availability could slow our growth and cause our financial results and operational metrics to suffer. We cannot predict whether, and to what extent, U.S. trade policies will change in the future and cannot ensure that additional tariffs or other restrictive measures will not continue or increase.

#### **We face competition from traditional energy companies as well as solar and other renewable energy companies.**

The battery storage and solar energy industry is highly competitive and continually evolving as participants strive to distinguish themselves within their markets and compete with large utilities. We believe that our primary competitors are the established utilities that supply energy to homeowners by traditional means. We compete with these utilities primarily based on price, predictability of price, and the ease by which homeowners can switch to electricity generated by our solar service offerings. If we cannot offer compelling value to customers based on these factors, then our business and revenue will not grow. Utilities generally have substantially greater financial, technical, operational and other resources than we do. As a result of their greater size, utilities may be able to devote more resources to the research, development, promotion and sale of their products or respond more quickly to evolving industry standards and changes in market conditions than we can. Furthermore, these competitors are able to devote substantially more resources and funding to regulatory and lobbying efforts.

Utilities could also offer other value-added products or services that could help them compete with us even if the cost of electricity they offer is higher than ours. In addition, a majority of utilities' sources of electricity are non-solar, which may allow utilities to sell electricity more cheaply than we can. Moreover, regulated utilities are increasingly seeking approval to "rate-base" their own residential solar and battery businesses. Rate-basing means that utilities would receive guaranteed rates of return for their solar and battery businesses. This is already commonplace for utility-scale solar projects and commercial solar projects. While few utilities to date have received regulatory permission to rate-base residential solar or storage, our competitiveness would be significantly harmed should more utilities receive such permission because we do not receive guaranteed profits for our solar service offerings.

We face competition from other residential battery storage and solar service providers, and we also may face competition from new entrants into the third-party ownership market as a result of the passage of the OBBB and its impacts to customer-claimed tax credits. Some of these competitors may have a higher degree of brand name recognition, differing business and pricing strategies, lower barriers to entry into the solar market, and greater capital resources than we have, as well as extensive knowledge of our target markets. For example, more recently, we have seen some of these competitors offer significantly higher turnkey prices and sales commissions than prevailing industry norms. If we are unable to establish or maintain a consumer brand that resonates with customers, maintain high customer satisfaction, or compete with the pricing offered by our competitors, our sales and market share position may be adversely affected, as our growth is primarily dependent on originating new

customers. We also face competitive pressure from companies that may offer lower-priced consumer offerings than we do.

In addition, we compete with companies that are not regulated like traditional utilities but that have access to the traditional utility electricity transmission and distribution infrastructure. These energy service companies are able to offer customers electricity supply-only solutions that are competitive with our solar service offerings on both price and usage of solar energy technology while avoiding the long-term agreements and physical installations that our current fund-financed business model requires. This may limit our ability to attract customers, particularly those who wish to avoid long-term contracts or have an aesthetic or other objection to putting solar panels on their roofs.

Furthermore, we face competition from purely finance-driven nonintegrated competitors that subcontract out the installation of solar energy systems, from installation businesses (including solar partners) that seek financing from external parties, from large construction companies and from electrical and roofing companies. In addition, local installers that might otherwise be viewed as potential solar partners may gain market share by being able to be the first providers in new local markets. Some of these competitors may provide energy at lower costs than we do. Finally, as declining prices for solar panels and related equipment has resulted in an increase in consumers purchasing instead of leasing solar energy systems, we face competition from companies that offer consumer loans for these solar panel purchases.

As the battery storage and solar industry grows and evolves, we will continue to face existing competitors as well as new competitors who are not currently in the market (including those resulting from the consolidation of existing competitors) that achieve significant developments in alternative technologies or new products such as storage solutions, EV chargers, loan products, or other programs related to third-party ownership. Our failure to adapt to changing market conditions, to compete successfully with existing or new competitors and to adopt new or enhanced technologies could limit our growth and have a material adverse effect on our business and prospects.

**A material drop in the retail price of utility-generated electricity or electricity from other sources would harm our business, financial condition, and results of operations.**

A customer's decision to buy solar energy from us often stems from a desire to lower electricity costs. Decreases in the retail prices of electricity from utilities or other energy sources would harm our ability to offer competitive pricing and could harm our business. The price of electricity from utilities could decrease as a result of:

- the construction of a significant number of new power generation plants, including nuclear, coal, natural gas or renewable energy technologies;
- load growth from data centers, manufacturing or other sources;
- a reduction in the price of natural gas or other natural resources;
- energy conservation technologies and public initiatives to reduce electricity consumption;
- development of new energy technologies that provide less expensive energy, including storage; and
- utility rate adjustments and customer class cost reallocation.

A reduction in utility electricity prices would make the purchase of our solar service offerings less attractive. If the retail price of energy available from utilities were to decrease due to any of these or other reasons, we would be at a competitive disadvantage. As a result, we may be unable to attract new customers and our growth would be limited.

**The production and installation of solar energy systems depend heavily on suitable meteorological and environmental conditions. If meteorological or environmental conditions are unexpectedly unfavorable, the electricity production from our solar service offerings may be below our expectations, and our ability to timely deploy new systems may be adversely impacted.**

The energy produced and revenue and cash flows generated by a solar energy system depend on suitable solar and weather conditions, both of which are beyond our control. Furthermore, components of our systems, such as panels and inverters, could be damaged by severe weather or natural catastrophes, such as hailstorms,

tornadoes, fires, hurricanes, atmospheric rivers, or earthquakes. In these circumstances, we generally would be obligated to bear the expense of repairing the damaged solar energy systems that we own. Sustained unfavorable weather or environmental conditions also could unexpectedly delay the installation of our solar energy systems, leading to increased expenses and decreased revenue and cash flows in the relevant periods. Extreme weather conditions, as well as the natural catastrophes that could result from such conditions, can severely impact our operations by delaying the installation of our systems, lowering sales, and causing a decrease in the output from our systems due to smoke or haze. Weather patterns could change, making it harder to predict the average annual amount of sunlight striking each location where our solar energy systems are installed. This could make our solar service offerings less economical overall or make individual systems less economical. Any of these events or conditions could harm our business, financial condition, and results of operations.

**Extreme weather events and climate change may have long-term impacts on our business, our industry, and the global economy.**

Extreme weather, impacts from climate change, and dramatic increase in demand for electricity on the grid, present unprecedented challenges for energy systems, and we anticipate volatility for our industry. While our core business model seeks to accelerate a transition to renewable energy, there are inherent climate-related risks to our business operations. Warming temperatures throughout the United States, and in California, our biggest market, in particular, have contributed to extreme weather, intense drought, and increased wildfire risks. These extreme weather events have the potential to disrupt our business, our third-party suppliers, and our customers, and may cause us to incur additional operational costs. They can also cause a decrease in the output from our systems due to smoke or haze. Additionally, if weather patterns significantly shift due to climate change, it may be harder to predict the average annual amount of sunlight striking each location where our solar energy systems are installed. This could make our solar service offerings less economical overall or make individual systems less economical.

Natural disasters and extreme weather events associated with climate change have impacted our operations by delaying the installation of our systems, leading to increased expenses and decreased revenue and cash flows. Continued increases in similar types of extreme weather events may harm our business, financial condition, and results of operations.

Our corporate mission is to connect people to the cleanest energy on earth, and we seek to mitigate these climate-related risks not only through our core business model and sustainability initiatives, but also by working with organizations who are also focused on mitigating their own climate-related risks.

**Risks Related to Our Operating Structure and Financing Activities**

**We need to raise capital to finance the continued growth of our operations and solar service business. If capital is not available to us on acceptable terms, as and when needed, our business and prospects would be materially and adversely impacted. In addition, our business is affected by general economic conditions and related uncertainties affecting markets in which we operate. Volatility in current economic conditions could adversely impact our business, including our ability to raise financing.**

Our future success depends on our ability to raise capital at acceptable terms from third parties to grow our business. To date, we have funded our business principally through low-cost tax equity investment funds. If we are unable to establish new investment funds when needed, or upon desirable terms, the growth of our solar service business would be impaired. Changes in tax law or changes in the interpretation of existing tax law could also affect our ability to establish such tax equity investment funds, impact the terms of existing or future funds, or reduce the pool of capital available for us to grow our business.

The passage of the OBBB in July 2025 adjusted the availability of federal tax credits for various energy technologies and is expected to lead to additional changes for tax equity. As a result, the availability of tax equity may present constraints to our growth and harm our financial performance. In addition, terms for tax equity funds, including the realization of tax credit value through potential structures that utilize transferability of the ITC, may not be on terms that we view as favorable.

During the first quarter of 2024, we transitioned a large portion of our funding from a traditional tax equity framework (where tax equity funding is typically provided at or before installation) to a tax credit transfer framework under transferability provisions (where the timing of tax equity or cash equity funding can be dependent on the timing of the transfer of the tax credits, which occurs in arrears following the date the associated solar system is placed in service). Under this transferability framework, any transfers of tax credits that occur in arrears can occur in

a range from monthly to up to a year or more following the date the associated solar system is placed in service. As a result, the timing of tax equity and/or cash equity funding can be delayed, which may adversely impact our business and operations and may cause volatility to our cash flows as we have an increased mix of transferability funds. Although the OBBB made certain adverse changes to the availability of federal tax credits for various energy technologies, it did not materially alter transferability.

The contract terms in some of our existing investment fund documents contain various conditions with respect to our ability to draw on financing commitments from the fund investors, including conditions that restrict our ability to draw on such commitments if an event occurs that could reasonably be expected to have a material adverse effect on the fund or, in some instances, us. If we are not able to satisfy such conditions due to events related to our business, a specific investment fund, developments in our industry, including tax or regulatory changes, or otherwise, and as a result, we are unable to draw on existing funding commitments, we could experience a material adverse effect on our business, liquidity, financial condition, results of operations and prospects. If any of the investors that currently invest in our investment funds decide not to invest in future investment funds to finance our solar service offerings due to general market conditions, concerns about our business or prospects, decreased appetite for tax benefits or any other reason, or materially change the terms under which they are willing to provide future financing, we would need to identify new investors to invest in our investment funds and our cost of capital may increase.

In addition, our business and results of operations are materially affected by conditions in the global capital markets and the economy. A general slowdown or volatility in current economic conditions, the level of U.S. national debt, currency fluctuations, unemployment rates, the availability and cost of credit, the U.S. housing market, tariffs, trade wars, inflation levels, interest rates, energy costs, and concerns over a slowing economy or other factors, could adversely affect our business, including our ability to raise financing.

There can be no assurance that we will be able to continue to successfully access capital in a manner that supports the growth of our business. Certain sources of capital may not be available in the future, and competition for any available funding may increase. We cannot be sure that we will be able to maintain necessary levels of funding without incurring high funding costs, unfavorable changes in the terms of funding instruments or the liquidation of certain assets. If we are unable to continue to offer a competitive investment profile, we may lose access to these funds or they may only be available on less favorable terms than those provided to our competitors or currently provided to us. If we are unable to arrange new or alternative methods of financing on favorable terms, our business, liquidity, financial condition, results of operations, and prospects could be materially and adversely affected.

#### **Volatility and increases in interest rates raise our cost of capital and may adversely impact our business.**

While interest rates have been at long-term historic lows during large parts of our operating history, they have increased in recent years, and may continue to increase in the future. Rising interest rates, including the historic increases starting in 2021, have resulted and may continue to result in a decrease in our advance rates, reducing the proceeds we receive from certain investment funds. Because our financing structure is sensitive to volatility in interest rates, higher rates increase our cost of capital and decrease the amount of capital available to us to finance the deployment of new solar energy systems. Additionally, we have selectively increased pricing in many markets in prior years in response to higher interest rates, and may do so in the future, which may impact the overall attractiveness of our offerings to potential new customers. Our future success depends on our ability to raise capital from fund investors and obtain secured lending to help finance the deployment of our solar service offerings. Part of our business strategy is to seek to reduce our cost of capital through such financing arrangements to improve our margins, offset reductions in government incentives and maintain the price competitiveness of our solar service offerings. Rising base interest rates or credit spreads, which have been, and may continue to be, worsened by inflation, an economic recession, or other variables, may have an adverse impact on our ability to offer attractive pricing on our solar service offerings to customers, which could negatively impact sales of our solar energy offerings and our cash flows. Because we typically enter into interest rate swaps shortly after the installation of a system, we are subject to higher interest rate risk between customer pricing through system installation, which may cause volatility to our cash flows.

The majority of our cash flows to date have been from solar service offerings under Customer Agreements that have been monetized under various investment fund structures. One of the components of this monetization is the present value of the payment streams from customers who enter into these Customer Agreements. If the rate of return required by capital providers, including debt providers, rises as a result of a rise in interest rates, it will reduce the present value of the customer payment stream and consequently reduce the total value derived from this

monetization. Any measures that we could take to mitigate the impact of rising interest rates could ultimately have an adverse impact on the value proposition that we offer customers.

**We expect to incur substantially more debt in the future, which could intensify the risks to our business.**

We and our subsidiaries expect to incur additional debt in the future, subject to the restrictions contained in our debt instruments. Some of our existing debt arrangements restrict our ability to incur additional indebtedness, including secured indebtedness, and we may be subject to similar restrictions under the terms of future debt arrangements. These restrictions could inhibit our ability to pursue our business strategies. Increases in our existing debt obligations would further heighten the debt related risk discussed above.

Furthermore, there is no assurance that we will be able to enter into new debt instruments on acceptable terms or at all. If we were unable to satisfy financial covenants and other terms under existing or new instruments, or obtain waivers or forbearance from our lenders, or if we were unable to obtain refinancing or new financings for our working capital, equipment, and other needs on acceptable terms if and when needed, our business would be adversely affected.

**We may be required to make payments or contribute assets to our investors upon the occurrence of certain events, including one-time reset or true-up payments or upon the exercise of a redemption option by one of our tax equity investors.**

Our investors in our tax equity investment funds typically advance capital to us based on, among other things, production capacity estimates. The models we use to calculate prepayments in connection with certain of our tax equity investment funds are updated at a fixed date occurring after placement in service of all applicable solar energy systems or an agreed upon date (typically within the first year of the applicable term) to reflect certain specified conditions, as they exist at such date including the ultimate system size of the equipment that was sold or leased to the tax equity investment fund, the cost thereof, and the date the equipment went into service. In some cases, these true-up models also incorporate any changes in law, which would include any reduction in rates (and thus any reduction in the benefits of depreciation). As a result of this true-up, applicable payments are resized, and we may be obligated to refund a portion of the tax equity investor's prepayments or to contribute additional assets to the tax equity investment fund. In addition, certain of our tax equity fund investors have the right to require us to purchase their interests in the tax equity investment funds after a set period of time, generally at a price equal to the greater of a set purchase price or fair market value of the interests at the time of the repurchase. Any significant refunds, capital contributions, or purchases that we may be required to make could adversely affect our liquidity or financial condition.

**Loan financing developments could adversely impact our business.**

The third-party ownership structure, which we bring to market through our solar service offerings, continues to be the predominant form of system ownership in the residential solar market in many states. However, with the development of new loan financing products, we have seen a modest shift from leasing and PPAs to outright purchases of the solar energy system by the customer (i.e., a customer purchases the solar energy system outright instead of leasing the system or buying power from us). Continued increases in third-party loan financing products and outright purchases could result in the demand for long-term Customer Agreements to decline, which would require us to shift our product focus to respond to the market trend and could have an adverse effect on our business. The majority of our customers have historically chosen our solar service offerings as opposed to buying a solar energy system outright. Our financial model is impacted by the volume of customers who choose our solar service offerings, and an increase in the number of customers who choose to purchase solar energy systems (whether for cash or through third-party financing) may harm our business and financial results.

**Servicing our debt requires a significant amount of cash to comply with certain covenants and satisfy payment obligations, and we may not have sufficient cash flow from our business to pay our substantial debt and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.**

We have substantial amounts of debt, including our convertible senior notes ("Notes"), our credit facility and the non-recourse debt facilities entered into by our subsidiaries, as discussed in more detail in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements, in each case, included in this periodic report. Our ability to make scheduled payments of the

principal of, to pay interest on or to refinance our indebtedness depends on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures to operate our business. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to timely repay or otherwise refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations and negatively impact our financial condition and prospects.

**Indebtedness under certain of our Senior and Subordinated Debt Facilities and our other credit facilities accrue interest at variable interest rates based on the Secured Overnight Financing Rate (or other benchmark rates based thereof, collectively, “SOFR”).**

In certain of our debt facilities accruing interest based on SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in comparable benchmark or market rates, and SOFR over time may bear little or no relation to the historical actual or historical indicative data. Additionally, some of our credit facilities based on SOFR include a credit spread adjustment on SOFR. In addition, ARRC has imposed certain curbs on interdealer trading in SOFR derivatives, which reduce market liquidity and may raise hedging costs for us as end-users. The possible volatility of SOFR, the addition of credit spread adjustment in certain of our facilities, and potential illiquidity in SOFR derivative markets could result in higher borrowing costs for us, which would adversely affect our financial condition, and results of operations.

**We may not have the ability to raise the funds necessary to settle conversions of the Notes in cash or to repurchase the Notes upon a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of the Notes.**

The Notes will have the right to require us to repurchase all or a portion of their Notes upon the occurrence of a fundamental change under the indenture, which includes certain events such as a change of control, before the maturity date at a fundamental change repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid special interest, if any. In addition, upon conversion of the Notes, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the Notes being converted. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Notes surrendered therefor or pay cash for Notes being converted. In addition, our ability to repurchase the Notes or to pay cash upon conversions of the Notes may be limited by law, by regulatory authority or by agreements governing our indebtedness at the time.

Our failure to repurchase Notes at a time when the repurchase is required by the indenture governing such Notes or to pay any cash payable on future conversions of the Notes as required by the indenture would constitute a default. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our existing or future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Notes or make cash payments upon conversions thereof.

**We are subject to counterparty risk with respect to the capped call transactions.**

In connection with our issuance of the convertible senior notes due 2026 in January 2021 and the convertible senior notes due 2030 in February 2024, we entered into privately negotiated capped call transactions (the “Capped Call transactions”) with certain financial institutions (the “Option Counterparties”). The Option Counterparties are financial institutions or affiliates of financial institutions, and we will be subject to the risk that one or more of such Option Counterparties may default under the Capped Call transactions. Our exposure to the credit risk of the Option Counterparties will not be secured by any collateral. If any option counterparty becomes subject to bankruptcy or other insolvency proceedings, with respect to such option counterparty’s obligations under the relevant Capped Call transaction, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under such transaction. Our exposure will depend on many factors but, generally, an increase in our exposure will be positively correlated to an increase in our common stock market price and in the volatility of the market price of our common stock. In addition, upon a default by any of the Option Counterparties, we may suffer adverse tax consequences and dilution with respect to our common stock. We can provide no assurance as to the financial stability or viability of any of the Option Counterparties.

## Risks Related to Regulation and Policy

### Federal tax policy impacts the competitiveness of our service offerings to customers and our market.

At the federal level, tax policy and associated regulations have a direct impact on our business. The most notable recent tax legislation affecting our business is the OBBB signed into law on July 4, 2025. The new law adjusts federal energy tax policies that we rely upon, including the Section 48E Clean Electricity Investment Credit and its associated “bonus” credits. For example, while the law maintains the Section 48E credit for energy storage through 2033, it shortens the availability of the 48E credit for solar facilities to the end of 2027. The law also applies new PFE restrictions to the Section 48E credit, which could potentially deny tax credits to entities owned, controlled, or influenced by certain specified foreign entities, and for projects that use certain components or receive “material assistance” from certain entities, thereby potentially increasing costs, reducing demand or restricting access to tax credits. The law ends the customer-claimed Section 25D Residential Clean Energy Credit starting in 2026. Changes in the law to the Section 45X Advanced Manufacturing Production Credit could also affect us indirectly, through our suppliers. The implementation of the law through the federal regulatory process could also directly affect our business.

**The customer value proposition for home solar, storage, and home electrification products is influenced by a number of factors, including, but not limited to, the retail price of electricity, the valuation of electricity not consumed on site and exported to the grid, the rate design mechanisms of customers’ utility bills, various policies related to the permitting and interconnection costs of our products to homes and the grid, the availability of incentives for solar, batteries, and other electrification products, and other policies which allow aggregations of our systems to provide the grid value. Significant changes to any of these factors may impact the competitiveness of our service offerings to customers.**

The value proposition of our solar and storage offering, as well as our other related home electrification offerings, such as the electric vehicle charging station, is impacted by several factors outside of our control including, but are not limited to, the retail price of electricity, the valuation of electricity not consumed on site but exported to the grid, the rate design mechanisms of customers’ utility bills, various policies related to the permitting and interconnection costs of our products to homes and the grid, the availability of incentives for solar, batteries, and other electrification products, and other policies which allow aggregations of our systems to provide the grid value. For over two decades across the United States, utilities, their trade associations, fossil fuel interests, and some other stakeholders not aligned with a decentralized grid have been challenging many legislative and regulatory policies that enhance the customer value proposition of residential solar and storage.

In connection with the value attributed to exported electricity, retail net metering (“NEM”) had traditionally been a main policy mechanism to measure and value electricity exported to the grid. That value has always varied depending on the retail price of power in a certain market, substantial differences in rate design, and NEM market-specific differences, including billing details regarding whether or how NEM credits are carried forward, whether or not the amount of net metered solar is capped, or how a specific market values the exported electricity. A substantial majority of the markets in which we operate have implemented various styles of NEM policies, allowing end customers to receive credits for the electricity exported to the grid.

Some states, including our largest market of California, have moved away from the traditional retail NEM credit structure of paying the full retail rate for exported electricity, and instead, such states have chosen to value excess generation by customers’ solar systems in different ways. Arizona moved to a declining export rate in 2016, and Nevada similarly transitioned to a step-down export credit over time starting in 2017. Hawaii transitioned from retail NEM in 2016 and developed programs that utilize values from rooftop solar paired with batteries to support grid needs. At the end of 2024, Illinois transitioned from traditional retail NEM to a Smart Solar Billing tariff, which includes an upfront distribution system payment paired with a time-varying export rate, which maintained customer value by utilizing solar paired with batteries. On Oct 30, 2025, Illinois passed legislation that stabilizes values for the upfront distribution system payment and the available storage rebate. In 2024, the Fiscal Oversight and Management Board of Puerto Rico filed a lawsuit that would require the Puerto Rico Energy Board to review and determine the future of NEM, which could revise or reverse Puerto Rico’s Act 10, which had unanimously extended NEM through 2031. The lawsuit is still ongoing. Most recently, the Public Utilities Commission of Nevada issued an order that transitioned net metering on a monthly basis to net metering on a 15-minute basis in the Sierra Pacific Power Company territory, which negatively impacted the value proposition of rooftop solar for new customers. Additionally, some states like New Jersey and Maryland have established caps or thresholds that will trigger regulatory review of net metering policies in the coming years.

Most notably, in 2023, California moved to a net billing tariff (NBT) structure in which exported electricity is no longer valued at the retail rate and is instead valued by the state's "avoided cost" annual calculations. The California Public Utilities Commission in its final decision also rejected a solar-specific fixed charge and rejected the creation of new non-bypassable charges, minimum bills, and grid participation charges for solar and solar plus storage customers.

In 2024 the California Public Utilities Commission (CPUC) approved a fixed charge of \$24.15/month for most residential customers, not just solar customers, of the three major investor-owned utility territories, with no change in existing income-tiers, which was considerably smaller than originally proposed by utilities. The decision added a smaller fixed monthly charge of \$6/month and \$12/month, respectively, for the two-tiers of existing low-income customers.

Under the new California NBT framework, storage paired with solar has a heightened value proposition to customers, and we have seen an increased demand for our solar plus storage offerings, thereby increasing the importance of procuring a variety of battery storage products and potentially accentuating supply chain risks related to battery storage systems. The new NBT framework may also result in the introduction of new product offerings and pricing structures by our competitors throughout the solar and utilities industries. This may also result in increased competition and uncertainty regarding the demand for such new products and offerings, which may adversely impact our business and results of operations. Existing customers utilizing net metering under NEM1 or NEM2 billing regimes have also been routinely protected. Most recently in 2025, legislation was introduced (AB942) which would have retroactively eliminated net metering billing contracts for existing customers. However, the California legislature approved a version of the bill that protects existing customers from any retroactive changes.

**Electric utility statutes and regulations and changes to such statutes or regulations may present technical, regulatory and economic barriers to the purchase and use of our solar and battery service offerings that may significantly reduce demand for such offerings.**

Federal, state, and local government statutes and regulations concerning electricity heavily influence the market for our solar service offerings and are constantly evolving. These statutes, regulations, and administrative rulings relate to electricity pricing, net metering, consumer protection, incentives, taxation, competition with utilities and the interconnection of home solar energy and battery systems to the electrical grid. These statutes and regulations are constantly evolving. Governments, often acting through state utility or public service commissions, change and adopt different rates for residential customers on a regular basis and these changes can have a negative impact on our ability to deliver savings, or energy bill management, to customers.

In addition, many utilities, their trade associations, and fossil fuel interests in the country, which have significantly greater economic, technical, operational, and political resources than the residential solar industry, are currently challenging solar-related policies, which may have the effect of reducing the competitiveness of residential solar energy. Any adverse changes in solar-related policies could have a negative impact on our business and prospects.

**Regulations and policies related to rate design could deter potential customers from purchasing our solar service offerings, reduce the value of the electricity our systems produce, and reduce any savings that our customers could realize from our solar service offerings.**

All states regulate investor-owned utility retail electricity pricing. In addition, there are numerous publicly owned utilities and electric cooperatives that establish their own retail electricity pricing through some form of regulation or internal process. These regulations and policies could deter potential customers from purchasing our solar service offerings. For example, some utilities in states such as Arizona and Utah have sought and secured rate design changes that reduce the credit for residential solar exports to below the retail rate and impose new charges for rooftop solar customers. Utilities in additional states may follow suit. Such rate changes can include changing rates to charge lower volume-based rates—the rates charged for kilowatt hours of electricity purchased by a residential customer—while raising unavoidable fixed charges and levying charges on homeowners based on their point of maximum demand during a month (referred to as "demand charge"). These forms of rate design could adversely impact our business by reducing the value of the electricity our solar energy systems produce, and reducing any savings customers realize by purchasing our solar and battery service offerings. Most recently, in September 2025, the Public Utilities Commission of Nevada approved a daily demand charge for all residential customers in Nevada Power service territory, scheduled to begin on April 1, 2026, which would negatively impact the value of home solar and storage. This charge is currently being challenged with stakeholders seeking a motion for reconsideration. These proposals could be replicated in other states. In addition to changes in general rates charged to all residential customers, utilities sometimes have proposed solar-specific charges (which may be fixed

charges, capacity-based charges, or other rate charges). Any of these changes could materially reduce the demand for our offerings and could limit the number of markets in which our offerings are competitive with electricity provided by the utilities.

**We are not currently regulated as a utility under applicable laws, but we may be subject to regulation as a utility in the future or become subject to new federal and state regulations for any additional solar service offerings we may introduce in the future.**

Most federal, state, and municipal laws do not currently regulate us as a utility. As a result, we are not subject to the various regulatory requirements applicable to U.S. utilities. However, federal, state, local or other applicable regulations could place significant restrictions on our ability to operate our business and execute our business plan by prohibiting or otherwise restricting our sale of electricity. These regulatory requirements could include restricting our sale of electricity, as well as regulating the price of our solar service offerings. For example, the New York Public Service Commission and the Illinois Power Agency have issued orders requiring registration of distributed energy providers in certain ways similar to energy service companies, which increases the regulatory compliance burden for us in such states. If we become subject to the same regulatory authorities as utilities in other states or if new regulatory bodies are established to oversee our business, our operating costs could materially increase and we may not be able to execute on our business plans.

**Our business depends in part on the regulatory treatment of third-party-owned solar energy systems.**

Our Customer Agreements are third-party ownership arrangements. Sales of electricity by third parties face regulatory challenges in some states and jurisdictions. These challenges pertain to issues such as whether third-party-owned systems qualify for the same rebates, tax exemptions or other non-tax incentives available for homeowner-owned solar energy systems, whether third-party-owned systems are eligible at all for these incentives, whether our Customer Agreements are properly characterized as leases or PPAs, and whether third-party-owned systems are eligible for net metering and the associated significant cost savings. Texas and Connecticut clarified through legislation that third-party-owned residential solar systems would be treated the same as customer-owned systems, and would qualify for the existing residential solar property tax exemption. Additionally, Virginia passed legislation in 2024 that clarified leased systems are allowed. Adverse regulatory treatment of third-party ownership arrangements could reduce demand for our solar and battery service offerings, adversely impact our access to capital and cause us to increase the price we charge customers for energy.

**Interconnection limits or circuit-level caps imposed by utilities or regulators may significantly reduce our ability to sell electricity from our solar service offerings in certain markets or slow interconnections, harming our growth rate and customer satisfaction scores.**

Interconnection rules establish the circumstances in which rooftop solar and batteries will be connected to the electricity grid. Interconnection limits or circuit-level caps imposed by regulators or utilities may curb our growth in key markets. Utilities throughout the country have different rules and regulations regarding interconnection and some utilities cap or limit the amount of solar energy that can be interconnected to the grid. Our systems do not provide power to customers until they are interconnected to the grid, and some relevant laws and regulations in certain markets may considerably slow the timing or increase costs of interconnection, which may in turn impact the system production and our business and sales results.

Interconnection regulations are based on claims from utilities regarding the amount of solar energy that can be connected to the grid without causing grid reliability issues or requiring significant grid upgrades. Interconnection limits could slow our future installations, harming our growth rate and customer satisfaction scores. Additionally, the California, Illinois, and Hawaii public utilities commissions require the activation of some advanced inverter functionality to head off presumed grid reliability issues, which may require more oversight of the operation of the solar energy systems over time, but may also help ensure circuits remain open or interconnection costs remain low. We expect utility requirements to incorporate these advanced functions provided by the IEEE 1547-2018/UL-1741 SB inverters and that they will become more commonplace. Additional states are expected to adopt the usage of advanced inverters to align with California's anticipated requirement that all new systems use inverters certified to the new UL 1741 SB standard. This requirement became effective in March 2023. All of our vendors are certified to this standard.

### **Risks Related to Our Business Operations**

**Our growth depends in part on the success of our relationships with third parties, including our solar partners.**

A key component of our growth strategy is to develop or expand our relationships with third parties. For example, we are investing resources in establishing strategic relationships with market players across a variety of industries, including large retailers, to generate new customers. These programs may not roll out as quickly as planned or produce the results we anticipated. A significant portion of our business depends on attracting and retaining new and existing solar partners. Negotiating relationships with our solar partners, investing in due diligence efforts with potential solar partners, training such third parties and contractors, and monitoring them for compliance with our standards require significant time and resources and may present greater risks and challenges than expanding a direct sales or installation team. If we are unsuccessful in establishing or maintaining our relationships with these third parties, our ability to grow our business and address our market opportunity could be impaired. Even if we are able to establish and maintain these relationships, we may not be able to execute on our goal of leveraging these relationships to meaningfully expand our business, brand recognition and customer base. This would limit our growth potential and our opportunities to generate significant additional revenue or cash flows.

**We and our solar partners depend on a limited number of suppliers of solar panels, batteries, and other system components to adequately meet anticipated demand for our solar service offerings. Any shortage, bottlenecks, delay, detentions, or component price change from these suppliers, or the acquisition of any of these suppliers by a competitor, could result in sales and installation delays, cancellations, and loss of market share.**

We and our solar partners purchase solar panels, inverters, batteries, and other system components from a limited number of suppliers, making us susceptible to quality issues, shortages, bottlenecks, regulatory risks, and price changes. If we or our solar partners fail to develop, maintain and expand our relationships with these or other suppliers, we may be unable to adequately meet anticipated demand for our solar service offerings, or we may only be able to offer our systems at higher costs or after delays. If one or more of the suppliers that we or our solar partners rely upon to meet anticipated demand ceases or reduces production, we may be unable to quickly identify alternate suppliers or to qualify alternative products on commercially reasonable terms, and we may be unable to satisfy this demand.

The acquisition of a supplier by one of our competitors could also limit our access to such components and require significant redesigns of our solar energy systems or installation procedures and have a material adverse effect on our business.

In particular, there is a limited number of suppliers of inverters, which are components that convert electricity generated by solar panels into electricity that can be used to power the home. For example, once we design a system for use with a particular inverter, if that type of inverter is not readily available at an anticipated price, we may incur delays and additional expenses to redesign the system. Further, the inverters on our solar energy systems generally carry only ten-year warranties. If there is an inverter equipment shortage in a year when a substantial number of inverters on our systems need to be replaced, we may not be able to replace the inverters to maintain proper system functioning or may be forced to do so at higher than anticipated prices, either of which would adversely impact our business.

Similarly, there is a limited number of suppliers of batteries. Once we design a system for use with a particular battery, if that type of battery is not readily available from our supplier, we may incur delays and additional expenses to install the system or be forced to redesign the system. Cost and mass production of battery cells depends in part upon the prices and availability of raw materials such as lithium, nickel, cobalt and/or other metals. The prices for these materials fluctuate and their available supply may be unstable, depending on market conditions and global demand for these materials. For example, as a result of increased global production of electric vehicles and energy storage products, global demand has increased for lithium-ion battery cells, which may cause challenges for our battery suppliers, including delays or price volatility. Any such delays or reduced availability of battery cells (or other component materials) may impact our sales and operating results. Further, these risks may increase as market demand for our solar and battery offering grows. Any reduced availability of these batteries may impact our growth, and any increases in their prices may reduce our profitability if we cannot recoup such costs through increased prices. Our inability to meet demand and any product price increases may harm our brand, growth, prospects and operating results.

There have also been periods of industry-wide shortage of key components, including solar panels, batteries and inverters, in times of rapid industry growth or regulatory change. Further, new or unexpected changes in rooftop fire codes or building codes may require new or different system components to satisfy compliance with such newly effective codes or regulations, which may not be readily available for distribution to us or our suppliers. The manufacturing infrastructure for some of these components has a long lead time, requires significant capital

investment and relies on the continued availability of key commodity materials, potentially resulting in an inability to meet demand for these components and, as a result, could negatively impact our ability to install systems in a timely manner. Additionally, any decline in the exchange rate of the U.S. dollar compared to the functional currency of our component suppliers could increase our component prices. Any of these shortages, delays or price changes could limit our growth, cause cancellations or adversely affect our operating margins, and result in loss of market share and damage to our brand.

Human rights issues in foreign countries and the U.S. government response to them could also disrupt our supply chain and operations. In particular, the WRO issued by the CBP on June 24, 2021 applicable to certain silica-based products manufactured in the Xinjiang Uyghur Autonomous Region of China, and any other allegations regarding forced labor in China and U.S. trade regulations to prohibit the importation of any goods derived from forced labor, could affect our operations. Further, the Uyghur Forced Labor Prevention Act that President Biden signed into law on December 23, 2021, which took effect on June 21, 2022, has affected, and may continue to affect, our supply chain and operations. Intensive examinations, withhold release orders, and related governmental procedures have resulted in supply chain and operational delays throughout the industry, and we have implemented policies and procedures to maintain compliance and minimize delays. These and other similar trade restrictions that may be imposed in the future could cause delivery and installation delays, and restrict the global supply of polysilicon and solar products. This, coupled with the passage of the Inflation Reduction Act of 2022 (the "IRA"), could result in near-term demand for available solar energy systems despite higher costs, as well as increased costs of polysilicon and the overall cost of solar energy systems, potentially reducing overall demand for our products and services.

In addition, our supply chain and operations (or those of our partners) could be subject to events beyond our control, such as earthquakes, wildfires, flooding, hurricanes, tsunamis, typhoons, volcanic eruptions, droughts, tornadoes, the effects of climate change and related extreme weather, public health issues and pandemics, war, terrorism, government restrictions or limitations on trade, and geo-political unrest and uncertainties, such as Russia's invasion of Ukraine and the current armed conflict in Israel and the Gaza Strip. We currently do not, and do not plan to in the future, source any products, materials, components, parts, or services directly from providers in these regions. As a result, we do not anticipate any material impacts to our supply chain directly arising from these conflicts at this time.

**As the primary entity that contracts with customers, we are subject to risks associated with construction, cost overruns, delays, customer cancellations, regulatory compliance, and other contingencies, any of which could have a material adverse effect on our business and results of operations.**

We are a licensed contractor in certain communities that we service, and we are ultimately responsible as the contracting party for every solar energy system installation. We may be liable, either directly or through our solar partners, to customers for any damage we cause to them, their home, belongings, or property during the installation of our systems. For example, we, either directly or through our solar partners, frequently penetrate customers' roofs during the installation process and may incur liability for the failure to adequately weatherproof such penetrations following the completion of construction. In addition, because the solar energy systems we or our solar partners deploy are high voltage energy systems, we may incur liability for any failure to comply with electrical standards and manufacturer recommendations.

For example, on December 2, 2020, the California Contractors State License Board (the "CSLB") filed an administrative proceeding against us and certain of our officers related to an accident that occurred during an installation by one of our affiliate channel partners, Horizon Solar Power, which held its own license with the CSLB. On November 8, 2021, the parties entered into a stipulated settlement imposing citations and withdrawing the administrative proceeding with additional conditions. We consistently denied wrongdoing concerning the allegations in the administrative proceeding and made no admissions of wrongdoing incident to the settlement. We could face other similar claims or proceedings in the future, which, if not resolved favorably, could potentially result in fines, public reprimand, probation, or the suspension or revocation of certain of our licenses.

Completing the sale and installation of a solar energy system requires many different steps including a site audit, completion of designs, permitting, installation, electrical sign-off and interconnection. Customers may cancel their Customer Agreement, subject to certain conditions, during this process until commencement of installation, and we have experienced increased customer cancellations in certain geographic markets during certain periods in our operating history. We or our solar partners may face customer cancellations, delays or cost overruns which may adversely affect our or our solar partners' ability to ramp up the volume of sales or installations in accordance with our plans. These cancellations, delays or overruns may be the result of a variety of factors, such as labor shortages or other labor issues, defects in materials and workmanship, adverse weather conditions, transportation constraints, construction change orders, site changes or roof conditions, geographic factors, extended permitting and inspection

times and other unforeseen difficulties or any other factors that may extend the timing to install, any of which could lead to increased cancellation rates, reputational harm and other adverse effects. For example, some customer orders are canceled after a site visit if we determine that a customer needs to make repairs to or install a new roof, or that there is excessive shading on their property. Additionally, as the demand for solar plus storage offerings grows, we anticipate facing additional operational challenges associated with the complexity of deploying storage solutions that tend to have longer cycle times due to factors such as lengthened permitting and inspection times and potential need of a main panel upgrade. Any such factors that extend the timeframes from customer signature to installation or increased project complexity may result in increased operational challenges and correspondingly lower realization rates. If we continue to experience increased customer cancellations, our financial results may be materially and adversely affected. In addition, the current macroeconomic environment, including rising interest rates, instability in financial markets and bank failures, may impact our ability to engage with new customers and expand our relationships with existing customers. If our customers are materially negatively impacted by these factors, our business could be negatively impacted.

Policy can impact solar installation completion timelines. For example, California passed SB 379 in 2022, which imposes a required timeline for cities and counties to implement an online, automated solar permitting platform. In 2024 and 2025, Maryland, Texas, Florida, and New Jersey similarly passed streamlined permitting legislation that can reduce installation timelines.

In addition, the installation of solar energy systems and other energy-related products requiring building modifications are subject to oversight and regulation in accordance with national, state and local laws and ordinances relating to building, fire and electrical codes, safety, environmental protection, utility interconnection and metering, and related matters. We also rely on certain of our and our partners' employees to maintain professional licenses in many of the jurisdictions in which we operate, and our failure to employ properly licensed personnel could adversely affect our licensing status in those jurisdictions. It is difficult and costly to track the requirements of every individual authority having jurisdiction over our installations and to design solar energy systems to comply with these varying standards. Any new government regulations or utility policies pertaining to our systems may result in significant additional expenses to us and our customers and, as a result, could cause a significant reduction in demand for our solar service offerings.

We have a variety of stringent quality standards that we apply in the selection, supervision, and oversight of our third-party suppliers and solar partners. We exercise oversight over our partners through written agreements requiring compliance with the laws and requirements of all jurisdictions, including regarding safety and consumer protections, by oversight of compliance with these agreements, and enforced by termination of a partner relationship for failure to meet those obligations. However, because our suppliers and partners are third parties, ultimately, we cannot guarantee that they will follow our standards or ethical business practices, such as fair wage practices and compliance with environmental, safety and other local laws, despite our efforts to hold them accountable to our standards. A lack of demonstrated compliance could lead us to seek alternative suppliers or contractors, which could increase our costs and result in delayed delivery or installation of our products, product shortages or other disruptions of our operations. Violation of labor or other laws by our suppliers and solar partners or the divergence of a supplier's or solar partner's labor or other practices from those generally accepted as ethical in the United States or other markets in which we do business could also attract negative publicity for us and harm our business, brand and reputation in the market.

**If we fail to manage our recent and future growth effectively, we may be unable to execute our business plan, maintain high levels of customer service, or adequately address competitive challenges.**

We have experienced significant growth in recent periods and we intend to continue to expand our business within existing markets, such as Puerto Rico, and in a number of new locations in the future, and with our product offerings, such as EV chargers. This growth has placed, and any future growth may continue to place, a significant strain on our management, operational and financial infrastructure. In particular, we have been in the past, and may in the future, be required to expand, train and manage our growing employee base and solar partners. Our management will also be required to maintain and expand our relationships with customers, suppliers, and other third parties and attract new customers and suppliers, as well as to manage multiple geographic locations.

In addition, our current and planned operations, personnel, systems and procedures might be inadequate to support our future growth and may require us to make additional unanticipated investment in our infrastructure, including additional costs for the expansion of our employee base and our solar partners as well as marketing and branding costs. Our success and ability to further scale our business will depend, in part, on our ability to manage these changes in a cost-effective and efficient manner. If we cannot manage our growth, we may be unable to take advantage of market opportunities, execute our business strategies or respond to competitive pressures. This could also result in declines in quality or customer satisfaction, increased costs, difficulties in introducing new solar service

offerings or other operational difficulties. Any failure to effectively manage growth could adversely impact our business, operating results, financial condition, and reputation.

**We typically bear the risk of loss and the cost of maintenance, repair and removal on solar energy systems that are owned or leased by our investment funds.**

We typically bear the risk of loss and are generally obligated to cover the cost of maintenance, repair and removal for any solar energy system that we sell or lease to our investment funds. At the time we sell or lease a solar energy system to an investment fund, we enter into a maintenance services agreement where we agree to operate and maintain the system for a fixed fee that is calculated to cover our future expected maintenance costs. If our solar energy systems require an above-average amount of repairs or if the cost of repairing systems were higher than our estimate, we would need to perform such repairs without additional compensation. If our solar energy systems, more than 45% of which were located in California as of September 30, 2025, are damaged as the result of a natural disaster beyond our control, losses could exceed or be excluded from our insurance policy limits, and we could incur unforeseen costs that could harm our business and financial condition. We may also incur significant costs for taking other actions in preparation for, or in reaction to, such events. We purchase property insurance with industry standard coverage and limits approved by an investor's third-party insurance advisors to hedge against such risk, but such coverage may not cover our losses.

**Product liability claims against us could result in adverse publicity and potentially significant monetary damages.**

If our solar service offerings, including our racking systems, photovoltaic modules, batteries, inverters, or other products, injured someone, we would be exposed to product liability claims. Because solar energy systems and many of our other current and anticipated products are electricity-producing devices, it is possible that customers or their property could be injured or damaged by our products, whether by product malfunctions, defects, improper installation or other causes. We rely on third-party manufacturing warranties, warranties provided by our solar partners and our general liability insurance to cover product liability claims and have not obtained separate product liability insurance. Our solar energy systems, including our photovoltaic modules, batteries, inverters, and other products, may also be subject to recalls due to product malfunctions or defects. Any product liability claim we face could be expensive to defend and divert management's attention. The successful assertion of product liability claims against us could result in potentially significant monetary damages that could require us to make significant payments, as well as subject us to adverse publicity, damage our reputation and competitive position and adversely affect sales of our systems and other products. In addition, product liability claims, injuries, defects or other problems experienced by other companies in the residential solar industry could lead to unfavorable market conditions to the industry as a whole, and may have an adverse effect on our ability to attract customers, thus affecting our growth and financial performance.

**Our business is concentrated in certain markets, putting us at risk of region-specific disruptions.**

As of September 30, 2025, California represented over 45% of our customer base. This concentration of our customer base and operational infrastructure could lead to our business and results of operations being particularly susceptible to adverse economic, regulatory, political, weather and other conditions in this market and in other markets that may become similarly concentrated, in particular the east coast, where we have seen significant growth recently. Changes to California's net metering and tariff structure in 2023 created additional uncertainty and challenges, and thus a shift to more solar-paired-with-storage offerings, given the size of our customer base in California. Originations in California continue to be below levels prior to the NBT transition, and without further increases in originations, our new installations in California may continue to decline compared to prior periods, which could have a material adverse effect on our business operations and financial performance.

Our corporate and sales headquarters are located in San Francisco, California, an area that has a heightened risk of earthquakes and nearby wildfires. We may not have adequate insurance, including business interruption insurance, to compensate us for losses that may occur from any such significant events. A significant natural disaster, such as an earthquake or wildfire, or a public health crisis, such as a pandemic, or civil unrest could have a material adverse impact on our business, results of operations and financial condition. In addition, acts of terrorism or malicious computer viruses could cause disruptions in our or our solar partners' businesses or the economy as a whole. To the extent that these disruptions result in delays or cancellations of installations or the deployment of our solar service offerings, our business, results of operations and financial condition would be adversely affected.

**Changes to the applicable laws and regulations governing direct-to-home sales and marketing may limit or restrict our ability to effectively compete.**

We utilize a direct-to-home sales model as a primary sales channel and are vulnerable to changes in laws and regulations related to direct sales and marketing that could impose additional limitations on unsolicited residential sales calls and may impose additional restrictions such as adjustments to our marketing materials and direct-selling processes, and new training for personnel. If additional laws and regulations affecting direct sales and marketing are passed in the markets in which we operate, it would take time to train our sales professionals to comply with such laws, and we may be exposed to fines or other penalties for violations of such laws. If we fail to compete effectively through our direct-selling efforts, our financial condition, results of operations and growth prospects could be adversely affected.

**Expanding and maintaining new sales channels and affiliate channel partner networks could be costly and time-consuming. As we enter new channels and establish new partnerships, we could be at a disadvantage relative to other companies who have more history in these spaces.**

As we continue to grow and expand our sales channels and affiliate channel partner networks, we may encounter challenges and additional costs.

With respect to developing our sales channels, such as direct-to-home, homebuilder, retail, and e-commerce channels and adapting to a remote selling model, we have incurred and may continue to incur significant costs. In addition, we may not initially or ever be successful in utilizing these new channels. Furthermore, we may not be able to compete successfully with companies with a historical presence in such channels, and we may not realize the anticipated benefits of entering such channels, including efficiently increasing our customer base and ultimately reducing costs. Entering new channels also poses the risk of conflicts between sales channels. If we are unable to successfully compete in new channels, our operating results and growth prospects could be adversely affected.

If we fail to maintain or expand our affiliate channel partner relationships, we may be unable to adequately meet anticipated demand for our solar service offerings, or we may only be able to offer our systems at higher costs or after delays. Further, if the terms, including geographic scope, exclusivity, pricing, duration, or other key terms of our agreements with our solar partners are substantially altered, it may impact our operational results and financial performance.

**Obtaining a sales contract with a potential customer does not guarantee that the potential customer will not decide to cancel or that we will not need to cancel due to a failed inspection, which could cause us to generate no revenue despite incurring costs and adversely affect our results of operations.**

Even after we secure a sales contract with a potential customer, we (either directly or through our solar partners) must perform an inspection to ensure the home, including the rooftop, meets our standards and specifications. If the inspection finds repairs to the rooftop are required in order to satisfy our standards and specifications to install the solar energy system, and a potential customer does not want to make such required repairs, we would lose that anticipated sale. In addition, per the terms of our Customer Agreements, a customer maintains the ability to cancel before commencement of installation, subject to certain conditions. Any delay or cancellation of an anticipated sale could materially and adversely affect our financial results, as we may have incurred sales-related, design-related, and other expenses and generated no revenue.

**The value of our solar energy systems at the end of the associated term of the lease or PPA may be lower than projected, and future removal, disposal and recycling obligations could change, all of which may adversely affect our financial performance and valuation.**

We depreciate the costs of our solar energy systems over their estimated useful life of 35 years. At the end of the initial, typically 20- or 25-year, term of the Customer Agreement, customers may choose to purchase their solar energy systems, ask to remove the system at our cost or renew their Customer Agreements. Customers may choose not to renew or purchase for any reason, including pricing, decreased energy consumption, relocation of residence, or switching to a competitor product.

Furthermore, it is difficult to predict how future environmental regulations may affect the costs associated with the removal, disposal or recycling of our solar energy systems. These uncertainties could affect our calculation of AROs associated with our solar energy systems, which could increase in the future. If the value in trade or renewal revenue is less than we expect, we may be required to recognize all or some of the remaining unamortized costs

without corresponding revenues to offset the net effect of the cost. The foregoing risks could have a material effect on our future balance sheets, cash flows, and results of operations.

**We are exposed to the credit risk of customers and payment delinquencies on our accounts receivables.**

Our Customer Agreements are typically for 20 or 25 years and require the customer to make monthly payments to us. Accordingly, we are subject to the credit risk of customers. As of September 30, 2025, the average FICO score of our customers under a Customer Agreement with a monthly payment schedule remained at or above 740, which is generally categorized as a “Very Good” credit profile by the Fair Isaac Corporation. However, this may decline to the extent FICO score requirements under future investment funds are relaxed. As our fleet of systems ages and we experience annual defaults from customers, cumulative annual defaults increase accordingly. If realized annual defaults and cumulative defaults exceed assumptions made by us or our financing partners, we may experience reduced revenue and face reductions in the financing proceeds obtained for new funds and potentially at less advantageous terms. Due to the immaterial amount of customer defaults to date, our reserve for this exposure is minimal, and our future exposure may exceed the amount of such reserves. If we experience increased customer credit defaults, our revenue and our ability to raise new investment funds could be adversely affected. If economic conditions worsen, certain of our customers may face liquidity concerns and may be unable to satisfy their payment obligations to us on a timely basis or at all, which could have a material adverse effect on our financial condition and results of operations.

**We may not realize the anticipated benefits of past or future investments, strategic transactions, or acquisitions, and integration of these acquisitions may disrupt our business and management.**

We have in the past and may in the future, acquire companies, Project pipelines, Projects, SRECs, products, or technologies or enter into joint ventures or other strategic transactions. For example, we completed the acquisition of Vivint Solar on October 8, 2020. Also, in July 2020, we announced a venture with SK E&S Co., Ltd. and other affiliated companies focused on home electrification. We may not realize the anticipated benefits of past or future investments, strategic transactions, or acquisitions, and these transactions involve numerous risks that are not within our control. These risks include the following, among others:

- failure to satisfy the required conditions and otherwise complete a planned acquisition, joint venture or other strategic transaction on a timely basis or at all;
- legal or regulatory proceedings, if any, relating to a planned acquisition, joint venture or other strategic transaction and the outcome of such legal proceedings;
- difficulty in assimilating the operations, systems, and personnel of the acquired company, especially given our unique culture;
- difficulty in effectively integrating the acquired technologies or products with our current products and technologies;
- difficulty in maintaining controls, procedures and policies during the transition and integration;
- disruption of our ongoing business and distraction of our management and employees from other opportunities and challenges due to integration issues;
- difficulty integrating the acquired company's accounting, management information and other administrative systems;
- inability to retain key technical and managerial personnel of the acquired business;
- inability to retain key customers, vendors and other business partners of the acquired business;
- inability to achieve the financial and strategic goals for the acquired and combined businesses;
- incurring acquisition-related costs or amortization costs for acquired intangible assets that could impact our results of operations;

- significant post-acquisition investments which may lower the actual benefits realized through the acquisition;
- potential failure of the due diligence processes to identify significant issues with product quality, legal, and financial liabilities, among other things;
- moderating and anticipating the impacts of inherent or emerging seasonality in acquired customer agreements;
- potential inability to assert that internal controls over financial reporting are effective; and
- potential inability to obtain, or obtain in a timely manner, approvals from governmental authorities, which could delay or prevent such acquisitions.

Our failure to address these risks, or other problems encountered in connection with our past or future investments, strategic transactions, or acquisitions, could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses, or incremental expenses, any of which could harm our financial condition or results of operations, and the trading price of our common stock could decline.

From time to time, we may pursue acquisitions of previously installed solar systems to further expand future solar and storage upsell and retrofit opportunities. While we do not expect such acquisitions to represent a material portion of our growth on an annual basis, we plan to pursue such transactions opportunistically. We may not realize the anticipated benefits of such transactions, and these transactions involve numerous risks that are not within our control.

Mergers and acquisitions are inherently risky, may not produce the anticipated benefits and could adversely affect our business, financial condition or results of operations.

**If we are unsuccessful in developing and maintaining our proprietary technology, including our BrightPath software, our ability to attract and retain solar partners could be impaired, our competitive position could be harmed and our revenue could be reduced.**

Our future growth depends on our ability to continue to develop and maintain our proprietary technology that supports our solar service offerings, including our design and proposal software, BrightPath. In addition, we rely, and expect to continue to rely, on licensing agreements with certain third parties for aerial images that allow us to efficiently and effectively analyze a customer's rooftop for solar energy system specifications. In the event that our current or future products require features that we have not developed or licensed, or we lose the benefit of an existing license, we will be required to develop or obtain such technology through purchase, license or other arrangements. If the required technology is not available on commercially reasonable terms, or at all, we may incur additional expenses in an effort to internally develop the required technology. In addition, our BrightPath software was developed, in part, with U.S. federal government funding. When new technologies are developed with U.S. government funding, the government obtains certain rights in any resulting patents, including a nonexclusive license authorizing the government to use the invention for non-commercial purposes. These rights may permit the government to disclose certain confidential information related to BrightPath to third parties and to exercise "march-in" rights to use or allow third parties to use our patented technology. We are also subject to certain reporting and other obligations to the U.S. government in connection with funding for BrightPath. If we are unable to maintain our existing proprietary technology, our ability to attract and retain solar partners could be impaired, our competitive position could be harmed and our revenue could be reduced.

**Disruptions to our solar production metering solution could negatively impact our revenue and increase our expenses.**

Our ability to monitor solar energy production for various purposes depends on the operation of our metering solution. We could incur significant expense and disruption to our operations in connection with failures of our metering solution, including meter hardware failures and failure or obsolescence of the cellular technology that we use to communicate with those meters. For example, many of our meters operate on either the 3G or 4G cellular data networks, which are expected to sunset before the term of our Customer Agreements, and newer technologies

we use today may become obsolete before the end of the term of Customer Agreements entered into now. Upgrading our metering solution may cause us to incur significant expense. Additionally, our meters communicate data through proprietary software, which we license from our metering partners. Should we be unable to continue to license, on agreeable terms, the software necessary to communicate with our meters, it could cause a significant disruption in our business and operations.

**Problems with product quality or performance may cause us to incur warranty expenses and performance guarantee expenses, may lower the residual value of our solar energy systems and may damage our market reputation and cause our financial results to decline.**

Customers who enter into Customer Agreements with us are covered by production guarantees and roof penetration warranties. As the owners of the solar energy systems, we or our investment funds receive a warranty from the inverter and solar panel manufacturers, and, for those solar energy systems that we do not install directly, we receive workmanship and material warranties as well as roof penetration warranties from our solar partners. Furthermore, one or more of our third-party manufacturers or solar partners could cease operations and no longer honor these warranties, leaving us to fulfill these potential obligations to customers, or such warranties may be limited in scope and amount, and may be inadequate to protect us. We also provide a performance guarantee with certain solar service offerings pursuant to which we compensate customers on an annual basis if their system does not meet the electricity production guarantees set forth in their agreement with us. Customers who enter into Customer Agreements with us are covered by production guarantees equal to the length of the term of these agreements, typically 20 or 25 years. We may suffer financial losses associated if significant performance guarantee payments are triggered.

Because of our limited operating history and the length of the term of our Customer Agreements, we have been required to make assumptions and apply judgments regarding a number of factors, including our anticipated rate of warranty claims and the durability, performance and reliability of our solar energy systems. Our assumptions could prove to be materially different from the actual performance of our systems, causing us to incur substantial expense to repair or replace defective solar energy systems in the future or to compensate customers for systems that do not meet their production guarantees. Product failures or operational deficiencies also would reduce our revenue from PPAs or lease agreements because they are dependent on system production. Any widespread product failures or operating deficiencies may damage our market reputation and adversely impact our financial results.

**Our business may be harmed if we fail to properly protect our intellectual property, and we may also be required to defend against claims or indemnify others against claims that our intellectual property infringes on the intellectual property rights of third parties.**

We believe that the success of our business depends in part on our proprietary technology, including our software, information, processes and know-how. We rely on copyright, trade secret and patent protections to secure our intellectual property rights. Although we may incur substantial costs in protecting our technology, we cannot be certain that we have adequately protected or will be able to adequately protect it, that our competitors will not be able to utilize our existing technology or develop similar technology independently, that the claims allowed with respect to any patents held by us will be broad enough to protect our technology or that foreign intellectual property laws will adequately protect our intellectual property rights. Moreover, we cannot be certain that our patents provide us with a competitive advantage. Despite our precautions, it may be possible for third parties to obtain and use our intellectual property without our consent. Unauthorized use of our intellectual property by third parties, and the expenses incurred in protecting our intellectual property rights, may adversely affect our business. In the future, some of our products could be alleged to infringe existing patents or other intellectual property of third parties, and we cannot be certain that we will prevail in any intellectual property dispute. In addition, any future litigation required to enforce our patents, to protect our trade secrets or know-how or to defend us or indemnify others against claimed infringement of the rights of third parties could harm our business, financial condition, and results of operations.

**We use “open source” software in our solutions, which may require that we release the source code of certain software subject to open source licenses or introduce vulnerabilities into our software that could become exploitable and expose sensitive data, either of which could subject us to possible litigation or other actions that could adversely affect our business.**

We utilize software that is licensed under so-called “open source,” “free” or other similar licenses. Open source software is made available to the general public on an “as-is” basis under the terms of a non-negotiable

license. We currently combine our proprietary software with open source software but not in a manner that we believe requires the release of the source code of our proprietary software to the public. However, our use of open source software may entail greater risks than use of third-party commercial software. Open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code, which could introduce vulnerabilities that could be exploited and lead to the loss of sensitive or protected data. In addition, if we combine our proprietary software with open source software in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar offerings with lower development effort and time.

We may also face claims alleging noncompliance with open source license terms or infringement or misappropriation of proprietary software. These claims could result in litigation, require us to purchase a costly license or require us to devote additional research and development resources to change our software, any of which would have a negative effect on our business and results of operations. In addition, if the license terms for open source software that we use change, we may be forced to re-engineer our solutions, incur additional costs or discontinue the use of these solutions if re-engineering cannot be accomplished on a timely basis. Few courts have interpreted open source licenses, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to use our proprietary software. We cannot guarantee that we have incorporated or will incorporate open source software in our software in a manner that will not subject us to liability or in a manner that is consistent with our current policies and procedures.

**Any security breach, unauthorized access or disclosure, or theft of data, including personal information, we, our third-party service providers, and suppliers gather, store, transmit, and use, or other hacking, cyber-attack, phishing attack, and unauthorized intrusions into or through our systems or those of our third party service providers, could harm our reputation, subject us to claims, litigation, financial harm, and have an adverse impact on our business.**

In the ordinary course of business, we, our third-party providers upon which we rely, and our suppliers collect, receive, store, transmit, process, and use proprietary, confidential, and sensitive data, including the personal information of customers, such as names, addresses, email addresses, credit information and other housing and energy use information, as well as the personal information of our employees.

Cyber-attacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems, and those of the third parties with whom we work. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including “hackers,” threat actors, “hacktivists,” organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation-state-supported actors.

Some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties with whom we work, and our customers may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our goods and services.

In addition, we, our third-party service providers with whom we work are subject to a variety of evolving threats, such as computer malware (including as a result of advanced persistent threat intrusions), ransomware, malicious code (such as viruses or worms), social engineering (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), telecommunications failures, denial-of-service attacks, credential stuffing attacks, credential harvesting, personnel misconduct or error, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, natural disasters and extreme weather events, general hacking, telecommunications failures, attacks enhanced or infiltrated by AI, and other similar threats. Cybersecurity threats have become more prevalent, and could impact our systems and those of our third parties in the future. Our team members who work remotely pose increased risks to our information technology systems and data, because many of them utilize network connections outside our premises that are less secure.

In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.

Applicable data privacy and security obligations may require us to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. Inadvertent disclosure of confidential data, such as personal information, or if a third party were to gain unauthorized access to this type of data in our possession, has resulted in, and could result in future claims or litigation arising from damages suffered by those affected, government enforcement actions (for example, investigations, fines, penalties, audits, and inspections), additional reporting requirements and/or oversight, indemnification obligations, reputational harm, interruptions in our operations, financial loss, and other similar harms. In addition, we could incur significant costs in complying with the multitude of federal, state and local laws, and applicable independent security control frameworks, regarding the unauthorized disclosure of personal information.

While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. Finally, any perceived or actual unauthorized disclosure of such information, unauthorized intrusion, or other cyberthreat could harm our reputation, substantially impair our ability to attract and retain customers, interrupt our operations, and have an adverse impact on our business.

We rely on third parties and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, cloud-based infrastructure, encryption and authentication technology, employee email, and other functions. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If the third parties with whom we work experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award.

We take steps designed to detect, mitigate, and remediate vulnerabilities in our information systems (such as our hardware and/or software, including that of third parties with whom we work). We may not, however, detect and remediate all such vulnerabilities on a timely basis. Further, we may experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities.

Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties with whom we work. A security incident or other interruption could disrupt our ability (and that of third parties with whom we work) to provide our services.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. While we currently maintain cybersecurity insurance, such insurance may not be sufficient to cover us against claims, and we cannot be certain that cyber insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim.

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Additionally, sensitive information of the Company or our customers could be leaked, disclosed, or revealed as a result of or in connection with our employees', personnel's, or vendors' use of generative AI technologies.

**We, and the third parties with whom we work, are, and may become, subject to stringent and evolving U.S. and foreign laws, regulations, and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, increased cost of operations, or otherwise harm our business.**

In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, "process") personal data and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, and sensitive third-party data. Our data processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to data privacy and security. Obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing

applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices, and to those of any third parties that process personal data on our behalf.

In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), and other similar laws (e.g., wiretapping laws). For example, the Telephone Consumer Protection Act of 1991 (“TCPA”) imposes various consumer consent requirements and other restrictions on certain telemarketing activity and other communications with consumers by phone, fax, or text message, and violations of the TCPA violations can result in significant financial penalties, including penalties or criminal fines imposed by the Federal Communications Commission or fines of up to \$1,500 per violation imposed through private litigation or by state authorities.

Numerous U.S. states—including California, Colorado, Utah, Virginia, and Connecticut—have enacted comprehensive data privacy and security laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt-out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making. The exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information. These state laws allow for statutory fines for noncompliance. For example, the CCPA applies to personal data of consumers, business representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for fines of up to \$7,500 per intentional violation and allows private litigants affected by certain data breaches to recover significant statutory damages. These developments further complicate compliance efforts, and increase legal risk and compliance costs for us, the third parties with whom we work, and our customers. Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future.

Our employees and personnel use generative artificial intelligence (“AI”) technologies, and the disclosure and use of personal data in generative AI technologies is subject to various privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws regulating generative AI. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and lawsuits. If we are unable to use generative AI, it could make our business less efficient and result in competitive disadvantages.

In addition to data privacy and security laws, we are or may become contractually subject to industry standards adopted by industry groups, such as the Payment Card Industry Data Security Standard (“PCI DSS”). Noncompliance with PCI-DSS by us or the third parties with whom we work can result in penalties from credit card companies ranging from \$5,000 to \$100,000 per month, as well as litigation, reputational damage, and revenue losses.

We publish privacy policies, marketing materials, whitepapers, and other statements, regarding data privacy and security. Regulators in the United States are increasingly scrutinizing these statements, and if these policies, materials, or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences. We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties with whom we work may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e.g., investigations, fines, penalties, audits, inspections), litigation (including class-action claims), mass arbitration claims, additional reporting requirements and/or oversight, bans on processing personal data, and orders to destroy or not use personal data.

In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations.

**Information technology systems are a critical component of our long-term competitive strategy. Failure to implement, adopt, and innovate responsibly and in a timely manner in response to rapidly evolving technological developments, including the use of artificial intelligence, could adversely impact our ability to compete, as well as our financial condition and operating results.**

Our ability to compete effectively requires our continued investment in technology to ensure we provide ongoing value to our current and potential customers and operate efficiently. The adoption and integration of newly emerging technologies involve significant uncertainties. If we are unable to effectively develop, integrate, or introduce new technologies, products, and services, our competitive position could be negatively impacted, and our business may suffer material adverse effects.

Whether we compete effectively may also be impacted by our ability to accurately anticipate and effectively respond to the risks and opportunities presented by the disruptions and developments of emerging and newly available technologies, including artificial intelligence (“AI”). We may not be successful in anticipating or responding to these developments on a timely and cost-effective basis, and if the rate at which we adopt and the ways in which we apply new technologies lags or differs negatively in meaningful ways from our competitors, our business could be adversely affected.

In particular, generative AI and other new and emerging technologies present a number of inherent risks and incorporating them into our information technology infrastructure, products, and services responsibly is crucial to maintaining and strengthening our competitive position in the market. For example, the use of generative AI technologies may result in unintended biases, accuracy issues, or discriminatory outcomes, potentially leading to errors in decision-making, product development, or other business activities. Such outcomes could negatively affect our business operations, financial performance, and overall financial condition. Further, the unauthorized use of generative AI technologies by our employees, third-party providers, or our suppliers pose additional risks relating to data privacy and security, including the potential exposure of our confidential information to unauthorized recipients. Use of generative AI tools could result in future claims or litigation related to unauthorized access to or use of confidential information and failure to comply with open source software requirements.

**Damage to our brand and reputation or failure to expand our brand would harm our business and results of operations.**

We depend significantly on our brand and reputation for high-quality solar service offerings, engineering and customer service to attract customers and grow our business. If we fail to continue to deliver our solar service offerings within the planned timelines, if our solar service offerings do not perform as anticipated or if we damage any customers’ properties or cancel Projects, our brand and reputation could be significantly impaired. We also depend greatly on referrals from customers for our growth. Therefore, our inability to meet or exceed customers’ expectations would harm our reputation and growth through referrals. We have at times focused particular attention on expeditiously growing our direct sales force and our solar partners, leading us in some instances to hire personnel or partner with third parties who we may later determine do not fit our company culture and standards. Given the sheer volume of interactions our direct sales force and our solar partners have with customers and potential customers, it is also unavoidable that some interactions will be perceived by customers and potential customers as less than satisfactory and result in complaints. If we cannot manage our hiring and training processes to limit potential issues and maintain appropriate customer service levels, our brand and reputation may be harmed and our ability to grow our business would suffer. In addition, if we were unable to achieve a similar level of brand recognition as our competitors, some of which may have a broader brand footprint, more resources and longer operational history, we could lose recognition in the marketplace among prospective customers, suppliers and partners, which could affect our growth and financial performance. Our growth strategy involves marketing and branding initiatives that will involve incurring significant expenses in advance of corresponding revenue. We cannot assure you that such marketing and branding expenses will result in the successful expansion of our brand recognition or increase our revenue. We are also subject to marketing and advertising regulations in various jurisdictions, and overly restrictive conditions on our marketing and advertising activities may inhibit the sales of the affected products.

**A failure to hire and retain a sufficient number of employees and service providers in key functions would constrain our growth and our ability to timely complete customers’ projects and successfully manage customer accounts.**

To support our growth, we need to hire, train, deploy, manage and retain a substantial number of skilled employees, engineers, installers, electricians, sales and project finance specialists. Competition for qualified personnel in our industry is increasing, particularly for skilled personnel involved in the installation of solar energy systems. We have in the past been, and may in the future be, unable to attract or retain qualified and skilled installation personnel or installation companies to be our solar partners, which would have an adverse effect on our business. We and our solar partners also compete with the homebuilding and construction industries for skilled

labor. As these industries grow and seek to hire additional workers, our cost of labor may increase. The unionization of the industry's labor force could also increase our labor costs. Shortages of skilled labor could significantly delay a project or otherwise increase our costs. Because our profit on a particular installation is based in part on assumptions as to the cost of such a project, cost overruns, delays or other execution issues may cause us to fail to achieve our expected margins or cover our costs for that project. In addition, because we are headquartered in the San Francisco Bay Area, we compete for a limited pool of technical and engineering resources that requires us to pay wages that are competitive with relatively high regional standards for employees in these fields. Further, we need to continue to expand upon the training of our customer service team to provide high-end account management and service to customers before, during and following the point of installation of our solar energy systems. Identifying, and recruiting qualified personnel and training them requires significant time, expense and attention. It can take several months before a new customer service team member is fully trained and productive at the standards that we have established. If we are unable to hire, develop and retain talented technical and customer service personnel, we may not be able to realize the expected benefits of this investment or grow our business.

In addition, to support the growth and success of our direct-to-consumer channel, we need to recruit, retain and motivate a large number of sales personnel on a continuing basis. We compete with many other companies for qualified sales personnel, and it could take many months before a new salesperson is fully trained on our solar service offerings. If we are unable to hire, develop and retain qualified sales personnel or if they are unable to achieve desired productivity levels, we may not be able to compete effectively.

If we or our solar partners cannot meet our hiring, retention and efficiency goals, we may be unable to complete customers' Projects on time or manage customer accounts in an acceptable manner or at all. Any significant failures in this regard would materially impair our growth, reputation, business and financial results. If we are required to pay higher compensation than we anticipate, these greater expenses may also adversely impact our financial results and the growth of our business.

**Regulators may limit the type of electricians qualified to install and service our solar and battery systems in California, which may result in workforce shortages, operational delays, and increased costs.**

In June 2023, the CSLB initiated a formal rule proposal to allow solar installers (C-46 license holders) to continue to install energy storage systems less than 80 kWh when "incidental and supplemental" to the installation of a PV system, but would require the use of a C-10 license holder for repair and retrofit work. The proposed rule was adopted by the CSLB on April 18, 2024. The Office of Administrative Law approved the proposed rule on June 5, 2024, and the rule was set to be effective as of October 1, 2024. However, there is currently a preliminary injunction in the case and the CSLB is enjoined from taking any action to enforce or implement the regulation pending resolution of the case. The energy storage systems that we install in the residential market typically do not exceed 80 kWh.

While our workforce includes workers operating under both C-10 and C-46 licenses in California, there are a limited number of C-10 certified electricians in the state and we are required to have each jobsite staffed with a Commercial Journeyman or Residential Wireman (if it is a residential job) if any electrical work is being performed under a C-10, which may result in workforce shortages, operational delays, and increased costs. Obtaining a C-10 license can be an extended process, and the timing and cost of having a large number of our C-46 licensed Solar Contractors seek such additional qualification is unclear. A significant portion of our customer base is in California, and as the state deals with growing wildfire risk and grid instability, an increasing number of our customers are choosing our solar and battery offerings. If we are unable to hire, develop and retain sufficient certified electricians, our growth of solar and battery customers in California may be significantly constrained, which would negatively impact our operating results. We have actively managed our workforce in anticipation of these changing contractor regulations by signing up Electrical Trainees in all of our California branches and through on the job training plus enrollment in schooling we have had many of our trainees become Journeymen as well.

Our workforce has led the industry in safely installing solar and battery systems for tens of thousands of customers across the country, and we intend to work with regulators, industry partners, and stakeholders to grow the solar and battery market throughout California.

**The loss of one or more members of our senior management or key employees may adversely affect our ability to implement our strategy.**

We depend on our experienced management team, and the loss of one or more key executives could have a negative impact on our business. With any change in leadership, there is a risk to organizational effectiveness and

employee retention as well as the potential for disruption to our business. None of our key executives or our key employees are bound by employment agreements for any specific term, and we may be unable to replace key members of our management team and key employees in the event we lose their services. Integrating new employees into our management team could prove disruptive to our operations, require substantial resources and management attention and ultimately prove unsuccessful. An inability to attract and retain sufficient managerial personnel who have critical industry experience and relationships could limit or delay our strategic efforts, which could have a material adverse effect on our business, financial condition, and results of operations.

**We are subject to legal proceedings, regulatory inquiries and litigation, and we have previously been, and may in the future be, named in additional legal proceedings, become involved in regulatory inquiries or be subject to litigation in the future, all of which are costly, distracting to our core business and could result in an unfavorable outcome, or a material adverse effect on our business, financial condition, results of operations, or the trading price for our securities.**

We are involved in legal proceedings and receive inquiries from government and regulatory agencies from time to time. In the event that we are involved in significant disputes or are the subject of a formal action by a regulatory agency, we could be exposed to costly and time-consuming legal proceedings that could result in any number of outcomes. Although outcomes of such actions vary, any current or future claims or regulatory actions initiated by or against us, whether successful or not, could result in significant costs, costly damage awards or settlement amounts, injunctive relief, increased costs of business, fines or orders to change certain business practices, significant dedication of management time, diversion of significant operational resources, or otherwise harm our business.

If we are not successful in our legal proceedings and litigation, we may be required to pay significant monetary damages, which could hurt our results of operations. Lawsuits are time-consuming and expensive to resolve and divert management's time and attention. Although we carry general liability insurance, our insurance may not cover potential claims or may not be adequate to indemnify us for all liability that may be imposed. We cannot predict how the courts will rule in any potential lawsuit against us. Decisions in favor of parties that bring lawsuits against us could subject us to significant liability for damages, adversely affect our results of operations and harm our reputation.

**A failure to comply with laws and regulations relating to our interactions with current or prospective residential customers could result in negative publicity, claims, investigations, and litigation, and adversely affect our financial performance.**

Our business involves transactions with customers. We and our solar partners must comply with numerous federal, state and local laws and regulations that govern matters relating to our interactions with customers, including those pertaining to data privacy and security, consumer financial and credit transactions, home improvement contracts, warranties and direct-to-home solicitation, along with certain rules and regulations specific to the marketing and sale of residential solar products and services. These laws and regulations are dynamic and subject to potentially differing interpretations, and various federal, state and local legislative and regulatory bodies may expand current laws or regulations, or enact new laws and regulations, regarding these matters. Changes in these laws or regulations or their interpretation could dramatically affect how we do business, acquire customers, and manage and use information we collect from and about current and prospective customers and the costs associated therewith. We strive to comply with all applicable laws and regulations relating to our interactions with residential customers. It is possible, however, that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Noncompliance with any such laws or regulations, or the perception that we or our solar partners have violated such laws or regulations or engaged in deceptive practices that could result in a violation, could also expose us to claims, proceedings, litigation and investigations by private parties and regulatory authorities, as well as substantial fines and negative publicity, each of which may materially and adversely affect our business. We have incurred, and will continue to incur, significant expenses to comply with such laws and regulations, and increased regulation of matters relating to our interactions with residential customers could require us to modify our operations and incur significant additional expenses, which could have an adverse effect on our business, financial condition, and results of operations.

Any investigations, actions, adoption or amendment of regulations relating to the marketing of our products to residential consumers could divert management's attention from our business, require us to modify our operations

and incur significant additional expenses, which could have an adverse effect on our business, financial condition, and results of operations or could reduce the number of our potential customers.

We cannot ensure that our sales professionals and other personnel will always comply with our standard practices and policies, as well as applicable laws and regulations. In any of the numerous interactions between our sales professionals or other personnel and our customers or potential customers, our sales professionals or other personnel may, without our knowledge and despite our efforts to effectively train them and enforce compliance, engage in conduct that is or may be prohibited under our standard practices and policies and applicable laws and regulations. Any such non-compliance, or the perception of non-compliance, has exposed us to claims and could expose us to additional claims, proceedings, litigation, investigations, or enforcement actions by private parties or regulatory authorities, as well as substantial fines and negative publicity, each of which may materially and adversely affect our business and reputation. We have incurred, and will continue to incur, significant expenses to comply with the laws, regulations and industry standards that apply to us.

**Compliance with occupational safety and health requirements and best practices can be costly, and noncompliance with such requirements may result in potentially significant penalties, operational delays and adverse publicity.**

The installation of solar energy systems requires our employees and employees of our solar partners to work with complicated and potentially dangerous electrical and utility systems. The evaluation and installation of our energy-related products also require these employees to work in locations that may contain potentially dangerous levels of asbestos, lead or mold or other substances. We also maintain large fleets of vehicles that these employees use in the course of their work. There is substantial risk of serious illness, injury, or death if proper safety procedures are not followed. Our operations are subject to regulation under OSHA and equivalent state laws. Changes to OSHA requirements, or stricter interpretation or enforcement of existing laws or regulations, could result in increased costs. If we fail to comply with applicable OSHA regulations, even if no work-related serious illness, injury, or death occurs, we may be subject to civil or criminal enforcement and be required to pay substantial penalties, incur significant capital expenditures, or suspend or limit operations. Any accidents, citations, violations, illnesses, injuries or failure to comply with industry best practices may subject us to adverse publicity, damage our reputation and competitive position and adversely affect our business.

**If our products do not work as well as planned or if we are unsuccessful in developing and selling new products or in penetrating new markets, our business, financial condition, and results of operations could be adversely affected.**

Our success and ability to compete are dependent on the products that we have developed or may develop in the future. There is a risk that the products that we have developed or may develop may not work as intended, or that the marketing of the products may not be as successful as anticipated. The development of new products generally requires substantial investment and can require long development and testing periods before they are commercially viable. We intend to continue to make substantial investments in developing new products and it is possible that we may not develop or acquire new products or product enhancements that compete effectively within our target markets or differentiate our products based on functionality, performance or cost and thus our new technologies and products may not result in meaningful revenue. In addition, any delays in developing and releasing new or enhanced products could cause us to lose revenue opportunities and potential customers. Any technical flaws in product releases could diminish the innovative impact of our products and have a negative effect on customer adoption and our reputation. If we fail to introduce new products that meet the demands of our customers or target markets or do not achieve market acceptance, or if we fail to penetrate new markets, our business, financial conditions and results of operations could be adversely affected.

**We have incurred losses and may be unable to sustain profitability in the future.**

We have incurred net losses in the past and may continue to incur net losses as we increase our spending to finance the expansion of our operations, expand our installation, engineering, administrative, sales and marketing staffs, increase spending on our brand awareness and other sales and marketing initiatives, make significant investments to drive future growth in our business and implement internal systems and infrastructure to support our growth. We do not know whether our revenue will grow rapidly enough to absorb these costs and our limited operating history makes it difficult to assess the extent of these expenses or their impact on our results of operations. Our ability to sustain profitability depends on a number of factors, including but not limited to:

- growing our customer base;
- reducing our operating costs by lowering our customer acquisition costs and optimizing our design and installation processes and supply chain logistics;
- finding investors willing to invest in our investment funds on favorable terms;
- maintaining or further lowering our cost of capital;
- reducing the cost of components for our solar service offerings;
- growing and maintaining our affiliate channel partner network;
- maintaining high levels of product quality, performance, and customer satisfaction; and
- growing our direct-to-consumer business to scale.

Even if we do sustain profitability, we may be unable to achieve positive cash flows from operations in the future.

**Our results of operations may fluctuate from quarter to quarter, which could make our future performance difficult to predict and could cause our results of operations for a particular period to fall below expectations, resulting in a decline in the price of our common stock.**

Our quarterly results of operations are difficult to predict and may fluctuate significantly in the future. We have experienced seasonal and quarterly fluctuations in the past and expect these fluctuations to continue. However, given that we are operating in a rapidly changing industry, those fluctuations may be masked by our recent growth rates and thus may not be readily apparent from our historical results of operations. As such, our past quarterly results of operations may not be good indicators of future performance.

In addition to the other risks described in this “Risk Factors” section, as well as the factors discussed in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section, the following factors, among others, could cause our results of operations and key performance indicators to fluctuate:

- the expiration, reduction or initiation of any governmental tax rebates, tax exemptions, or incentives;
- significant fluctuations in customer demand for our solar service offerings or fluctuations in the geographic concentration of installations of solar energy systems;
- changes in financial markets, which could restrict our ability to access available and cost-effective financing sources;
- seasonal, environmental or weather conditions that impact sales, energy production, and system installations;
- the amount and timing of operating expenses related to the maintenance and expansion of our business, operations and infrastructure;
- announcements by us or our competitors of new products or services, significant acquisitions, strategic partnerships, joint ventures, or capital-raising activities or commitments;
- changes in our pricing policies or terms or those of our competitors, including utilities;
- changes in regulatory policy related to solar energy generation;
- the loss of one or more key partners or the failure of key partners to perform as anticipated;
- actual or anticipated developments in our competitors’ businesses or the competitive landscape;
- actual or anticipated changes in our growth rate;

- general economic, industry and market conditions beyond our control, such as bank failures, the COVID-19 pandemic, inflationary pressures, other macroeconomic factors, and associated economic downturn; and
- changes to our cancellation rate.

In the past, we have experienced seasonal fluctuations in sales and installations, particularly in the fourth quarter. This has been the result of decreased sales through the holiday season and weather-related installation delays. Our incentives revenue is also highly variable due to associated revenue recognition rules, as discussed in greater detail in Management's Discussion and Analysis of Financial Condition and Results of Operations. Seasonal and other factors may also contribute to variability in our sales of solar energy systems and product sales. For these or other reasons, the results of any prior quarterly or annual periods should not be relied upon as indications of our future performance. In addition, our actual revenue or key operating metrics in one or more future quarters may fall short of the expectations of investors and financial analysts. If that occurs, the trading price of our common stock could decline and you could lose part or all of your investment.

**Our actual financial results may differ materially from any guidance we may publish from time to time.**

We have in the past provided, and may from time to time provide, guidance regarding our future performance that represents our management's estimates as of the date such guidance is provided. Any such guidance is based upon a number of assumptions with respect to future business decisions (some of which may change) and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic, and competitive uncertainties and contingencies (many of which are beyond our control, including those related to the global pandemics, inflationary pressures, geopolitical conflict, bank failures, other macroeconomic factors, and associated economic downturn). Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions that inform such guidance will not materialize or will vary significantly from actual results. Our ability to meet deployment volume, cost, net present value or any other forward-looking guidance is impacted by a number of factors including, but not limited to, the number of our solar energy systems purchased outright versus the number of our solar energy systems that are subject to long-term Customer Agreements, changes in installation costs, the availability of additional financing on acceptable terms, changes in the retail prices of traditional utility generated electricity, the availability of rebates, tax credits and other incentives, changes in policies and regulations including net metering and interconnection limits or caps, the availability of solar panels and other raw materials, as well as the other risks to our business that are described in this section. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date such guidance is provided. Actual results may vary from such guidance and the variations may be material. Investors should also recognize that the reliability of any forecasted financial data diminishes the farther in the future that the data is forecast. In light of the foregoing, investors should not place undue reliance on our financial guidance, and should carefully consider any guidance we may publish in context.

**The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members and officers.**

We are subject to the reporting requirements of the Exchange Act, the listing requirements of the Nasdaq Stock Market and other applicable rules and regulations, including, among other requirements, U.S. laws regarding requirements to disclose efforts to identify the origin and existence of certain "conflict minerals." Compliance with these rules and regulations has increased our legal and financial compliance costs, made some activities more difficult, time-consuming or costly and increased demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. Maintaining our disclosure controls and procedures and internal controls over financial reporting in accordance with this standard requires significant resources and management oversight. As a result, management's attention may be diverted from other business concerns, which could harm our business and results of operations. Although we have already hired additional employees to comply with these requirements, we may need to hire more employees in the future, which will increase our costs and expenses.

#### **Risks Related to Taxes and Accounting**

**Our ability to provide our storage and solar service offerings to customers on an economically viable basis depends in part on our ability to finance these systems with fund investors who seek particular tax and other benefits.**

Our solar service offerings have been eligible for federal ITCs, U.S. Treasury grants, and other tax benefits. We have relied on, and will continue to rely on, tax equity investment funds, which are financing structures that monetize a substantial portion of those benefits, in order to finance our solar service offerings. If, for any reason, we are unable to continue to monetize those benefits through these arrangements, we may be unable to provide and maintain our solar service offerings for customers on an economically viable basis.

The availability of this tax-advantaged financing depends upon many factors, including:

- our ability to compete with other solar energy companies for the limited number of potential fund investors, each of which has limited funds and limited appetite for the tax benefits associated with these financings;
- the state of financial and credit markets;
- changes in the legal or tax risks associated with these financings; and
- legislative or regulatory changes or decreases to these incentives.

The federal government currently offers ITCs under Sections 48(a) (for solar facilities that began construction prior to January 1, 2025) and 48E of the Code, for the installation of certain energy properties, including solar power and storage facilities owned for business purposes. The 48(a) credit was extended and expanded upon and the 48E credit was created by the IRA, which was signed into law by President Biden on August 16, 2022. The IRA also created several ITC “bonus credits” to further incentivize various types of solar and storage facilities.

On July 4, 2025, the OBBB was signed into law by the President of the United States. The OBBB contains a number of changes to the IRA that significantly impact the availability of the ITCs under Sections 48(a) and 48E of the Code, including the accelerated sunset of certain investment tax credits (including for residential solar projects), and certain limited restrictions on their transferability to third-parties for sale. In particular, ITCs for solar projects under Section 48E are terminated if they do not begin construction by July 4, 2026 unless such projects are placed in service by December 31, 2027. The OBBB also introduces significant restrictions beginning in 2026 around certain foreign entities, which will not only impact who can invest in renewable energy projects, but also who can supply components and know-how to develop them. On August 15, 2025, in response to an Executive Order issued by the President of the United States on July 7, 2025, Treasury and the IRS issued Notice 2025-42, which provides for beginning of construction rules for wind and solar, revising existing guidance by largely eliminating the long-established 5% safe harbor. However, the 5% safe harbor continues to apply to solar facilities having a maximum output of 1.5 megawatts or less. Therefore, our existing safe harbor strategies should not be impacted by such guidance. However, Notice 2025-42 did not respond to the portion of the Executive Order regarding beginning of construction for purposes of the new restrictions regarding foreign entities and indicated additional guidance is forthcoming. We cannot predict with certainty what such guidance, or any other future guidance, will say, or how it will impact our existing safe harboring strategies. We routinely monetize investment tax credits and such monetization is a key component in our financing of solar projects. Obtaining tax equity funding (and tax equity funding on advantageous terms) may become more challenging as a result of the OBBB. Additionally, the benefits of the ITC have historically enhanced our ability to provide competitive pricing for customers. Accordingly, the OBBB could slow our growth and adversely impact our financial results and operational metrics.

In addition, our inability to operationalize these tax credits, avail ourselves of tax credit benefits in a timely fashion, or ensure the facilities we intend to qualify under the ITC bonus credits satisfy the applicable requirements could impact our ability to compete, and compromise or eliminate opportunities to financially benefit from these tax credits, which would adversely impact our business.

The federal government also currently offers a Residential Clean Energy Credit, for the installation of certain solar power facilities owned by residential taxpayers, which is applicable to customers who purchase a solar energy system outright as opposed to entering into a Customer Agreement. As a result of the tax policy changes in the OBBB this credit will expire on December 31, 2025. Expiration of the Residential Clean Energy Credit could reduce the number of customers who choose to purchase our solar energy systems and may further adversely impact our financial results and operational metrics.

We and our tax equity partners have claimed and expect to continue to claim ITCs with respect to qualifying solar energy and energy storage projects, subject to the accelerated expiration of such ITCs under the OBBB. However, the application of law and guidance regarding ITC eligibility to the facts of particular solar energy

projects remains subject to a number of uncertainties. With respect to the Section 48E final rule that the U.S. Treasury issued on January 15, 2025 ("Treasury Regulations"), there can be no assurance that the IRS will agree with our approach in the event of an audit. While the U.S. Department of the Treasury addressed and clarified certain outstanding issues from the proposed Treasury Regulations regarding energy property and aggregation, the final rules may be subject to further interpretation and guidance. The IRS and U.S. Treasury may modify existing guidance, possibly with retroactive effect. Additionally, on January 1, 2025, the ITC framework of Section 48 that the solar industry has historically relied upon shifted to the "tech-neutral" 48E credit applied separately to a qualified facility and energy storage technology. This transition may create uncertainty regarding the implementation of Section 48E of the Code under this new framework, which may cause delays or potentially adverse impacts on our business. Any of the foregoing items could reduce the amount of ITCs available to us and our tax equity partners. In this event, we could be required to indemnify tax equity partners for disallowed ITCs, adjust the terms of future tax equity partnerships, or seek alternative sources of funding for solar energy projects, each of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Additionally, potential investors must remain satisfied that the structures that we offer make the tax benefits associated with solar energy systems available to these investors, which depends on the investors' assessment of the tax law, the absence of any unfavorable interpretations of that law and the continued application of existing tax law and interpretations to our funding structures. Changes in existing law or interpretations of existing law by the IRS and/or the courts could reduce the willingness of investors to invest in funds associated with these solar energy systems. Moreover, reductions to the corporate tax rate may reduce the appetite for tax benefits overall, which could reduce the pool of available funds. Accordingly, we cannot provide assurances that this type of financing will continue to be available to us. New investment fund structures or other financing mechanisms may become available, but if we are unable to take advantage of these fund structures and financing mechanisms, we may be at a competitive disadvantage. If, for any reason, we are unable to finance our solar service offerings through tax-advantaged structures or if we are unable to realize or monetize ITCs or other tax benefits, we may no longer be able to provide our solar service offerings to new customers on an economically viable basis, which would have a material adverse effect on our business, financial condition, and operations.

**If the IRS makes determinations that the creditable basis of our solar energy systems is materially lower than what we have claimed, we may have to pay significant amounts to our fund investors, and our business, financial condition, and prospects may be materially and adversely affected.**

We and our fund investors claim the ITCs in amounts based on the purchase price paid by our funds for our solar energy systems (*i.e.*, the funds' basis in the solar energy systems, or creditable basis). Such purchase prices are based on the fair market value of our systems as determined pursuant to independent appraisals obtained by us. With respect to ITCs, the IRS may on audit determine that the creditable basis for our solar energy systems is lower than the amount determined by the appraisal and accordingly argue that the tax credits previously claimed must be reduced. If the creditable basis is determined in these circumstances to be less than what we or our tax equity investment funds reported, we may owe our fund investors an amount equal to the amount by which the ITCs are reduced (including any interest and penalties), plus any costs and expenses associated with a challenge to that valuation. We could also be subject to tax liabilities, including interest and penalties. If the IRS further disagrees now or in the future with the amounts we or our tax equity investment funds reported regarding the creditable or depreciable basis of our solar energy systems, it could have a material adverse effect on our business, financial condition, and prospects.

We have purchased insurance policies insuring us and related parties for additional taxes owed in respect of lost ITCs, depreciation, gross-up costs and expenses incurred in defending the types of claims described above. However, these policies only cover certain investment funds and have negotiated exclusions from, and limitations to, coverage and therefore may not cover us for all such lost ITCs, taxes, costs and expenses.

Now or in the future, routine IRS audits may subject us to indemnity obligations to investors, and may result in certain limited out-of-pocket costs and potential increased insurance premiums in the future.

**Our business currently depends in part on the availability of utility rebates, tax credits and other benefits, tax exemptions and exclusions, and other financial incentives on the federal, state, and/or local levels. We may be adversely affected by changes in, and application of, these laws or other incentives to us, and the expiration, elimination or reduction of these benefits could adversely impact our business.**

Our business depends in part on government policies that promote and support solar energy and enhance the economic viability of owning solar energy systems. U.S. federal, state and local governmental bodies have

provided incentives to owners, distributors, installers and manufacturers of solar energy systems to promote solar energy. These incentives include ITCs and Residential Energy Efficient Property Credit, as discussed above, as well as other tax credits, rebates and SRECs associated with solar energy generation. The OBBB made significant changes to these incentives at the federal level, as described above under “Our ability to provide our storage and solar service offerings to customers on an economically viable basis depends in part on our ability to finance these systems with fund investors who seek particular tax and other benefits.” Some markets, such as New Jersey and Maryland, currently utilize SRECs. SRECs can be volatile and their value could decrease over time as the supply of SREC-producing solar energy systems installed in a particular market increases. We rely on these incentives to lower our cost of capital and to attract investors, all of which enable us to lower the price we charge customers for our solar service offerings. These incentives have had a significant impact on the development of solar energy but they have undergone significant changes and could change further at any time, especially after changes in the Administration or Congress. These incentives may also expire on a particular date, when the allocated funding is exhausted, or be reduced, terminated or repealed without notice. The financial value of certain incentives may also decrease over time.

In addition to the OBBB, prior federal tax legislation, the Tax Cuts and Jobs Act (the “TCJA”), was enacted in December 2017. As part of the TCJA, the current corporate income tax rate was reduced, and there were other changes including limiting or eliminating various other deductions, credits and tax preferences. The OBBB generally continued these policies into the future after 2025, when some of them were set to expire. This reduction in the corporate income tax rate may have reduced appetite for the ITC and depreciation benefits available with respect to solar facilities. The IRA also implemented a corporate alternative minimum tax of 15% of financial statement income (subject to certain adjustments) for companies that report over \$1 billion in profits to shareholders; similar to existing law, business credits (including ITCs) are limited to 75% of income in excess of \$25,000 (with no limit against the first \$25,000). The OBBB permanently extended many provisions of the TCJA and did not change the corporate income tax rate, although we cannot predict whether and to what extent such rate may change in the future as a result of further changes to the Code. Further limitations on, or elimination of, the tax benefits that support the financing of solar energy under the OBBB and other aspects of current U.S. law could significantly impact our ability to raise tax equity investment funds or impact the terms thereof, including the amount of cash distributable to our investors. Similarly, any unfavorable interpretations of tax law by the IRS and/or the courts with respect to our financing structures could reduce the willingness of investors to invest in our funds associated with any such structure.

Any effort to repeal, overturn or alter federal and state laws, regulations or policies that are supportive of solar energy generation or that remove costs or other limitations on other types of energy generation that compete with solar energy projects could materially and adversely affect our business.

Our business model also relies on multiple tax exemptions offered at the state and local levels. For example, some states have property tax exemptions that exempt the value of solar energy systems in determining values for calculation of local and state real and personal property taxes. State and local tax exemptions can have sunset dates, triggers for loss of the exemption, and can be changed by state legislatures and other regulators, and if solar energy systems were not exempt from such taxes, the property taxes payable by customers would be higher, which could offset any potential savings our solar service offerings could offer. Similarly, if state or local legislatures or tax administrators impose property taxes on third-party owners of solar energy systems, solar companies like us would be subject to higher costs.

In general, we rely on certain state and local tax exemptions that apply to the sale of equipment, sale of power, or both. These state and local tax exemptions can expire, can be changed by state legislatures, or their application to us can be challenged by regulators, tax administrators, or court rulings, and such changes could adversely impact our business and the profitability of our offerings in certain markets.

#### **We may be subject to adverse California property tax consequences.**

The State of California provides an exclusion (the “Solar Exclusion”) from the assessment of California property taxes for qualifying “active solar energy systems” installed as fixtures before January 1, 2027, provided such systems are locally rather than centrally assessed (“Eligible Property”). However, the Solar Exclusion is not a permanent exclusion from the assessment of property tax. Once a change in ownership of the Eligible Property occurs, the Eligible Property may be subject to reassessment and California property taxes may become due.

Vivint Solar, through certain of its subsidiaries, owns solar energy systems that constitute Eligible Property (the “California PV Systems”). To the extent Vivint Solar or its subsidiaries are considered the tax owners of the California PV Systems for purposes of the California Revenue and Tax Code, our acquisition of Vivint Solar may

constitute a change of control of the California PV Systems, triggering the loss of the Solar Exclusion and the imposition of California property taxes, which could adversely affect our business.

**If we are unable to maintain effective disclosure controls and internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and, as a result, the value of our common stock may be materially and adversely affected.**

We are required, pursuant to the Exchange Act, to furnish a report by management on, among other things, the effectiveness of our internal controls over financial reporting. This assessment includes disclosure of any material weaknesses, if any, identified by our management in our internal controls over financial reporting. We are continuing to develop and refine our disclosure controls and improve our internal controls over financial reporting. We have expended, and anticipate that we will continue to expend, significant resources in order to maintain and continuously look for ways to enhance existing effective disclosure controls and procedures and internal controls over financial reporting. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business, which presents additional complexities relating to the design and implementation of our disclosure controls and internal control over financial reporting. In addition, we or our independent accounting firm may identify weaknesses and deficiencies that we may not otherwise identify in a timely manner in the future. If we are not able to complete the work required under Section 404 of the Sarbanes-Oxley Act on a timely basis for future fiscal years, our annual report on Form 10-K may be delayed or deficient. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

We cannot guarantee that our internal controls over financial reporting will prevent or detect all errors and fraud. The risk of errors is increased in light of the complexity of our business and investment funds. For example, we must deal with significant complexity in accounting for our fund structures and the resulting allocation of net (loss) income between our stockholders and noncontrolling interests under the HLBV method as well as the income tax consequences of these fund structures. As we enter into additional investment funds, which may have contractual provisions different from those of our existing funds, the analysis as to whether we consolidate these funds, the calculation under the HLBV method, and the analysis of the tax impact could become increasingly complicated. This additional complexity could require us to hire additional resources and increase the chance that we experience errors in the future.

If we are unable to assert that our internal controls over financial reporting is effective, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline. In addition, we could become subject to investigations by Nasdaq, the SEC or other regulatory authorities, which could require additional management attention and which could adversely affect our business.

**Our reported financial results may be affected, and comparability of our financial results with other companies in our industry may be impacted, by changes in the accounting principles generally accepted in the United States.**

Generally accepted accounting principles in the United States are subject to change and interpretation by the Financial Accounting Standards Board ("FASB"), the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and on the financial results of other companies in our industry, and may even affect the reporting of transactions completed before the announcement or effectiveness of a change. Other companies in our industry may be affected differently by the adoption of new accounting standards, including timing of the adoption of new accounting standards, adversely affecting the comparability of financial statements.

**Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.**

As of December 31, 2024, we had U.S. federal, state and foreign net operating loss carryforwards ("NOLs") of approximately \$720.7 million, \$3.3 billion, and \$459.9 million respectively, which begin expiring in varying amounts in 2028, 2025, and 2031 respectively, if unused. Our U.S. federal and certain state NOLs generated in tax years beginning after December 31, 2017 total approximately \$2.0 billion and \$334.4 million, respectively, have indefinite carryover periods, and do not expire. Under Sections 382 and 383 of the Code, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change NOLs and other pre-change tax assets, such as tax credits, to offset its post change income and taxes may be limited. In general, an "ownership change" occurs

if there is a cumulative change in our ownership by “5% stockholders” that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. Additionally, states may impose other limitations on the use of NOLs and tax credit carryforwards. Any such limitations on our ability to use our NOLs and other tax assets could adversely impact our business, financial condition, and results of operations. We have performed an analysis to determine whether an ownership change under Section 382 of the Code had occurred and determined no ownership changes were identified as of December 31, 2024.

### **Risks Related to Ownership of Our Common Stock**

**Our executive officers, directors and principal stockholders continue to have substantial control over us, which will limit your ability to influence the outcome of important matters, including a change in control.**

Our executive officers, directors and each of our stockholders who beneficially own 5% or more of our outstanding common stock and their affiliates, in the aggregate, beneficially own approximately 33.4% of the outstanding shares of our common stock, based on the number of shares outstanding as of September 30, 2025. As a result, these stockholders, if acting together, will be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentrated control may have the effect of delaying or preventing a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their capital stock and might ultimately affect the market price of our common stock.

**The market price of our common stock has been and may continue to be volatile, and you could lose all or part of your investment in our common stock.**

The trading price of our common stock has been volatile since our initial public offering, and is likely to continue to be volatile. Factors that could cause fluctuations in the market price of our common stock include the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the market prices and trading volumes of companies in our industry or companies that investors consider comparable;
- changes in operating performance and stock market valuations of other companies generally, or those in our industry in particular;
- sales of shares of our common stock by us or our stockholders;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow us, or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public, any changes in those projections or our failure to meet those projections;
- announcements by us or our competitors of new products or services;
- the public’s reaction to our press releases, other public announcements and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations;
- changes in tax and other incentives that we rely upon in order to raise tax equity investment funds;
- actual or perceived data privacy or security incidents;
- our ability to protect our intellectual property and other proprietary rights;

- changes in the regulatory environment and utility policies and pricing, including those that could reduce any savings we are able to offer to customers;
- actual or anticipated developments in our business, our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- major catastrophic events, global armed conflicts or civil unrest;
- negative publicity, including accurate or inaccurate commentary or reports regarding us, our products, our sales professionals or other personnel, or other third parties affiliated with us, on social media platforms, blogs, and other websites;
- any significant change in our management; and
- general economic conditions including instability in financial markets and bank failures, and slow or negative growth of our markets.

Further, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. In addition, the stock prices of many renewable energy companies have experienced fluctuations that have often been unrelated to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, government shutdowns, interest rate changes, or international currency fluctuations, has, and may continue to, cause the trading price of the Notes and our common stock to decline. In the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. We are party to litigation that could result in substantial costs and a diversion of our management's attention and resources.

**Sales of a substantial number of shares of our common stock in the public market, including by our existing stockholders, could cause our stock price to fall.**

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that these sales and others may have on the prevailing market price of our common stock.

In addition, certain of our stockholders, including SK E&S Co., Ltd. and other affiliated companies as well as certain stockholders who received shares as a result of our acquisition of Vivint Solar, have registration rights that would require us to register shares of our capital stock owned by them for public sale in the United States. We have also filed a registration statement to register shares of our common stock reserved for future issuance under our equity compensation plans, including shares underlying equity awards assumed in connection with our acquisition of Vivint Solar. Subject to the satisfaction of applicable exercise periods and applicable volume and restrictions that apply to affiliates, the shares of our common stock issued upon exercise of outstanding options will become available for immediate resale in the public market upon issuance.

Future sales of our common stock may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales also could cause the market price of our common stock to decline and make it more difficult for you to sell shares of our common stock.

**Anti-takeover provisions contained in our restated certificate of incorporation and amended and restated bylaws, as well as provisions of Delaware law, could impair a takeover attempt.**

Our restated certificate of incorporation, amended and restated bylaws and Delaware law contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by our board of directors and therefore depress the trading price of our common stock. Among other things, our restated certificate of incorporation and amended and restated bylaws include provisions:

- authorizing “blank check” preferred stock, which could be issued by our board of directors without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock;
- limiting the liability of, and providing indemnification to, our directors and officers;
- limiting the ability of our stockholders to call and bring business before special meetings;
- requiring advance notice of stockholder proposals for business to be conducted at meetings of our stockholders and for nominations of candidates for election to our board of directors; and
- controlling the procedures for the conduct and scheduling of board of directors and stockholder meetings.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation law, which prevents certain stockholders holding more than 15% of our outstanding capital stock from engaging in certain business combinations without approval of the holders of at least two-thirds of our outstanding capital stock not held by such stockholder. Any provision of our restated certificate of incorporation, amended and restated bylaws or Delaware law that has the effect of delaying or preventing a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our capital stock and could also affect the price that some investors are willing to pay for our common stock.

**Provisions contained in our restated certificate of incorporation and amended and restated bylaws limit the ability of our stockholders to call special meetings and prohibit stockholder action by written consent.**

Our restated certificate of incorporation provides that our stockholders may not take action by written consent. Instead, any such actions must be taken at an annual or special meeting of our stockholders. As a result, our stockholders are not able to take any action without first holding a meeting of our stockholders called in accordance with the provisions of our amended and restated bylaws, including advance notice procedures set forth in our amended and restated bylaws. Our amended and restated bylaws further provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairman of our board of directors, our Chief Executive Officer or our President. As a result, our stockholders are not allowed to call a special meeting. These provisions may delay the ability of our stockholders to force consideration of a stockholder proposal, including a proposal to remove directors.

**Provisions contained in our restated certificate of incorporation and amended and restated bylaws could preclude our stockholders from bringing matters before meetings of stockholders and delay changes in our board of directors.**

Our amended and restated bylaws provide advance notice procedures for stockholders seeking to bring business before, or nominate candidates for election as directors at, our annual or special meetings of stockholders. In addition, our restated certificate of incorporation provides that stockholders may remove directors only for cause. Any amendment of these provisions in our amended and restated bylaws or restated certificate of incorporation would require approval by holders of a majority of our then outstanding capital stock. These provisions could preclude our stockholders from bringing matters before annual or special meetings of stockholders and delay changes in our board of directors.

**Our amended and restated bylaws provide that a state or federal court located within the State of Delaware will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which**

**could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.**

Our amended and restated bylaws provide that, unless we consent to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or to our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or (iv) any action asserting a claim governed by the internal affairs doctrine shall be a state or federal court located within the state of Delaware, in all cases subject to the court's having personal jurisdiction over the indispensable parties names as defendants. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. In addition, our amended and restated bylaws also provide that, unless we consent to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. If a court were to find the choice of forum provisions contained in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial condition.

**If securities or industry analysts cease publishing research or reports about us, our business, our market or our competitors, or if they adversely change their recommendations regarding our common stock, the market price of our common stock and trading volume could decline.**

The market for our common stock is influenced by the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. If any of the analysts who cover us adversely change their recommendations regarding our common stock, or provide more favorable recommendations about our competitors, the market price of our common stock would likely decline. If any of the analysts who cover us cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price of our common stock and trading volume to decline.

**We do not expect to declare any dividends in the foreseeable future, so investors may need to rely on sales of our common stock after price appreciation, which may never occur or only occur at certain times, as the only way to realize any future gains on their investment.**

We do not anticipate declaring any cash dividends to holders of our common stock in the foreseeable future. In addition, our credit agreements contain restrictions on payments of cash dividends. Consequently, investors may need to rely on sales of our common stock after price appreciation, which may never occur or only occur at certain times, as the only way to realize any future gains on their investment. Investors seeking cash dividends should not purchase shares of our common stock.

**Additional issuances of our capital stock or equity-linked securities could result in dilution to our stockholders.**

We may issue additional equity securities to raise capital, make acquisitions or for a variety of other purposes. For example, in connection with the acquisition of Vivint Solar, we issued 0.55 shares of our common stock for each share of Vivint Solar's common stock owned prior to the acquisition, which resulted in dilution to our stockholders. Additional issuances of our capital stock may be made pursuant to the exercise or conversion of new or existing convertible debt securities (including the Notes), warrants, stock options or other equity incentive awards to new and existing service providers. Any such issuances will result in dilution to existing holders of our stock. We also rely on equity-based compensation as an important tool in recruiting and retaining employees. The amount of dilution due to equity-based compensation of our employees and other additional issuances of our common stock or securities convertible into or exchangeable or exercisable for our common stock could be substantial, and the market price of our common stock could decline.

**The Capped Call transactions may negatively affect the value of our common stock.**

In connection with the issuance of the Notes, we entered into the Capped Call transactions with the Option Counterparties. The Capped Call transactions are expected generally to reduce the potential dilution to our common stock upon any conversion of Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Notes, as the case may be, with such reduction and/or offset subject to a cap.

The Option Counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the Notes (and are likely to do so during the observation period for conversions of Notes following November 1, 2025 for the 2026 Notes or December 1, 2029 for the 2030 Notes or following any repurchase of Notes by us). This activity could also cause or avoid an increase or a decrease in the market price of our common stock.

The potential effect, if any, of these transactions and activities on the market price of our common stock will depend in part on market conditions and cannot be ascertained at this time.

## **Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

### **Unregistered Sales of Equity Securities**

None.

### **Issuer Purchases of Equity Securities**

None.

## **Item 4. MINE SAFETY DISCLOSURES**

None.

## **Item 5. OTHER INFORMATION**

### **Rule 10b5-1 Disclosure**

During our last fiscal quarter, certain of our directors and officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated the contracts, instructions or written plans for the purchase or sale of our securities as noted below.

On September 3, 2025, Edward Fenster, our Co-Executive Chair of the Board of Directors, adopted a trading plan for the sale of the Company's common stock that is intended to satisfy the affirmative defense of Rule 10b5-1(c). The trading plan is set to expire on September 2, 2026, and provides for the sale of up to 500,600 shares of common stock, subject to the Company's stock price reaching certain price thresholds.

On August 14, 2025, Maria Barak, our Chief Accounting Officer, adopted a trading plan for the sale of the Company's common stock that is intended to satisfy the affirmative defense of Rule 10b5-1(c). The trading plan is set to expire on August 5, 2027, and provides for the sale of up to 4,502 shares of common stock, subject to the Company's stock price reaching certain price thresholds.

## **Item 6. EXHIBITS**

The documents listed in the Exhibit Index of this Quarterly Report on Form 10-Q are incorporated by reference or are filed with this Quarterly Report on Form 10-Q, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K).

## EXHIBIT INDEX

| Exhibit Number | Exhibit Description                                                                                                                                                                             | Form | Incorporated by Reference |         |             |                |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|---------------------------|---------|-------------|----------------|
|                |                                                                                                                                                                                                 |      | File No.                  | Exhibit | Filing Date | Filed Herewith |
| 3.1            | <a href="#">Restated Certificate of Incorporation of Sunrun Inc.</a>                                                                                                                            | 8-K  | 001-37511                 | 3.3     | 6/7/2023    |                |
| 3.2            | <a href="#">Bylaws of Sunrun Inc., Amended and Restated as of June 2, 2023.</a>                                                                                                                 | 8-K  | 001-37511                 | 3.4     | 6/7/2023    |                |
| 10.1*          | <a href="#">Sunrun Inc. Amended and Restated 2015 Equity Incentive Plan and related form agreements.</a>                                                                                        |      |                           |         |             | X              |
| 31.1           | <a href="#">Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>          |      |                           |         |             | X              |
| 31.2           | <a href="#">Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>          |      |                           |         |             | X              |
| 32.1†          | <a href="#">Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a> |      |                           |         |             | X              |
| 101.INS        | Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document).                               |      |                           |         |             |                |
| 101.SCH        | Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents.                                                                                                                         |      |                           |         |             |                |
| 104            | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).                                                                                                       |      |                           |         |             |                |

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\* Indicates management contract or compensatory plan.

† The certifications attached as Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Sunrun Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

### SUNRUN INC.

Date: November 6, 2025

By: /s/ Mary Powell

**Mary Powell**  
**Chief Executive Officer**  
**(Principal Executive Officer)**

By: /s/ Danny Abajian

**Danny Abajian**  
**Chief Financial Officer**  
**(Principal Financial Officer)**

**SUNRUN INC.**  
**AMENDED AND RESTATED**  
**2015 EQUITY INCENTIVE PLAN**

**Effective Date: June 11, 2025**

1. Purposes of the Plan. The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,
- to provide additional incentive to Employees, Directors and Consultants, and
- to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares.

2. Definitions. As used herein, the following definitions will apply:

(a) “Administrator” means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) “Applicable Laws” means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) “Award” means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares.

(d) “Award Agreement” means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) “Board” means the Board of Directors of the Company.

(f) “Change in Control” means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (“Person”), acquires

ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control; or

(ii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the

same proportions by the persons who held the Company's securities immediately before such transaction.

(g) "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(h) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or a duly authorized committee of the Board, in accordance with Section 4 hereof.

(i) "Common Stock" means the common stock of the Company.

(j) "Company" means Sunrun Inc., a Delaware corporation, or any successor thereto.

(k) "Consultant" means any natural person, including an advisor, engaged by the Company or a Parent or Subsidiary to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital-raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities.

(l) "Director" means a member of the Board.

(m) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(n) "Effective Date" means June 11, 2025.

(o) "Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(p) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(q) "Exchange Program" means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the exercise price of an outstanding Award is increased or reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(r) “Fair Market Value” means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, the NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or, if no bids and asks were reported on that date, as applicable, on the last trading date such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

(s) “Fiscal Year” means the fiscal year of the Company.

(t) “Incentive Stock Option” means an Option that by its terms qualifies and is intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(u) “Inside Director” means a Director who is an Employee.

(v) “Nonstatutory Stock Option” means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(w) “Officer” means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(x) “Option” means a stock option granted pursuant to the Plan.

(y) “Outside Director” means a Director who is not an Employee.

(z) “Parent” means a “parent corporation,” whether now or hereafter existing, as defined in Section 424(e) of the Code.

(aa) “Participant” means the holder of an outstanding Award.

(bb) “Performance Share” means an Award denominated in Shares which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine pursuant to Section 10.

(cc) “Performance Unit” means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10.

(dd) “Period of Restriction” means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(ee) “Plan” means this Amended and Restated 2015 Equity Incentive Plan, as may be amended from time to time.

(ff) “Restricted Stock” means Shares issued pursuant to a Restricted Stock award under Section 7 of the Plan, or issued pursuant to the early exercise of an Option.

(gg) “Restricted Stock Unit” means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(hh) “Rule 16b-3” means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(ii) “Section 16(b)” means Section 16(b) of the Exchange Act.

(jj) “Service Provider” means an Employee, Director or Consultant.

(kk) “Share” means a share of the Common Stock, as adjusted in accordance with Section 15 of the Plan.

(ll) “Stock Appreciation Right” means an Award, granted alone or in connection with an Option, that pursuant to Section 9 is designated as a Stock Appreciation Right.

(mm) “Subsidiary” means a “subsidiary corporation,” whether now or hereafter existing, as defined in Section 424(f) of the Code.

### 3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be issued under the Plan as of the Effective Date is 38,223,498, which includes Shares remaining available for issuance pursuant to the Plan as of immediately prior to the Effective Date and all automatic yearly Share increases on January 1st of each fiscal year commencing on January 1, 2022 and ending on (and including) January 1, 2025, plus the sum of (i) any Shares that, as of the Effective Date, have been reserved but not issued pursuant to any awards granted under the Company’s 2013 Equity Incentive Plan,

as amended and restated (the “2013 Plan”), and are not subject to any awards granted thereunder, and (ii) any Shares subject to stock options or similar awards granted under the Company’s 2014 Equity Incentive Plan, the 2013 Plan, the Company’s Amended and Restated 2008 Equity Incentive Plan, or the Mainstream Energy Corporation 2009 Stock Plan (collectively, the “Existing Plans”) that, on or after the Effective Date, expire or otherwise terminate without having been exercised in full and Shares issued pursuant to awards granted under the Existing Plans that are forfeited to or repurchased by the Company, with the maximum number of Shares to be added to the Plan from previously granted awards under the Existing Plans equal to 10,018,959. The Shares may be authorized, but unissued, or reacquired Common Stock.

(b) Lapsed Awards. As of the Effective Date, if an Award expires or becomes unexercisable without having been exercised in full, or, with respect to Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, is forfeited to, or repurchased by, the Company due to failure to vest, then the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights the forfeited or repurchased Shares), which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to Stock Appreciation Rights, the full number of Shares subject to the Award (i.e., the number of Shares underlying the Stock Appreciation Right, regardless of number of Shares actually issued) will cease to be available under the Plan. Shares withheld or not issued by the Company to satisfy tax withholding obligations or to settle the exercise price shall not become available for issuance under the Plan. Shares that actually have been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company other than to satisfy a tax withholding obligation, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award shall not become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment shall not result in reducing the number of Shares available for issuance under the Plan. Shares repurchased by the Company on the open market with the proceeds of the exercise or strike price of an Option or Stock Appreciation Right shall not become available for issuance under the Plan. Notwithstanding the foregoing, and subject to adjustment as provided in Section 15, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options shall equal the aggregate Share number stated in Section 3(a), plus, to the extent allowable under Section 422 of the Code, any Shares that become available for issuance under the Plan pursuant to Section 3(b).

(c) Share Reserve. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

#### 4. Administration of the Plan.

##### (a) Procedure.

administer the Plan.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may

(ii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iii) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine; provided, however, that Awards to Officers may not vest earlier than the one (1) year anniversary of the grant date (except if accelerated) (A) pursuant to Section 15 hereof or pursuant to a severance plan or agreement entered into by and between the Company and an Officer, (B) due to an Officer's death, or (C) due to an Officer's Disability) and no Officer will be permitted to execute a promissory note as partial or full consideration for the purchase of Shares;

(vi) to institute and determine the terms and conditions of an Exchange Program; provided that the Administrator may not, without prior stockholder approval, exercise its discretion to reduce the exercise price of outstanding Options or Stock Appreciation Rights or effect repricing through cancellation and re-grants or cancellation of Options or Stock Appreciation Rights in exchange for cash or other Awards;

(vii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(viii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws;

(ix) to modify or amend each Award (subject to Section 19 of the Plan), including but not limited to the discretionary authority to extend the post-termination

exercisability period of Awards and to extend the maximum term of an Option (subject to Section 6(b) of the Plan regarding Incentive Stock Options);

(x) to allow Participants to satisfy tax withholding obligations in such manner as prescribed in Section 16 of the Plan;

(xi) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xii) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that otherwise would be due to such Participant under an Award; and

(xiii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units may be granted to Service Providers. Incentive Stock Options may be granted only to Employees. All Participants must comply with Applicable Laws, the Company's Code of Business Conduct and Ethics, and the Company's corporate policies, as applicable, including but not limited to its Policy for Recoupment of Incentive Compensation, as may be amended from time to time, and such compliance is necessary to earn an Award under the Plan.

6. Stock Options.

(a) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted. Notwithstanding any other provision of the Plan to the contrary, no Incentive Stock Options shall be granted following the ten-year anniversary of the Effective Date written above without stockholder approval.

(b) Term of Option. The term of each Option will be stated in the Award Agreement. In the case of an Incentive Stock Option, the term will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment; provided that a promissory note shall not be permitted. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (1) cash; (2) check; (3) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (4) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (5) by net exercise; (6) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (7) any combination of the foregoing methods of payment.

(d) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 15 of the Plan.

Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the option be exercised later than the expiration of the term of such Option as set

forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following Participant's death. Unless otherwise provided by the Administrator, if at the time of death the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

7. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 7 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

8. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of

the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws or any other basis determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may only settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

#### 9. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Service Provider.

(c) Exercise Price and Other Terms. The per share exercise price for the Shares to be issued pursuant to exercise of a Stock Appreciation Right will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement, as determined by the Administrator, in its sole discretion. Notwithstanding the foregoing, the rules of Section 6(d) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

- (i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times
- (ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions (including, without limitation, continued status as a Service Provider) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Service Providers. The time period during which the performance objectives or other vesting provisions must be met will be called the "Performance Period." Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(d) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made as soon as practicable after the expiration of the applicable Performance Period. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

11. Outside Director Limitations. Subject to the provisions of Section 15 of the Plan, the aggregate value of all compensation granted or paid, as applicable, to any Outside Director with respect to any fiscal year following the Effective Date, including Awards granted and cash fees paid by the Company to such Outside Director, shall not exceed \$1,000,000 in total value, calculating the value of any Awards based on the grant date fair value of such equity awards for financial reporting purposes. Compensation shall count towards this limit for the fiscal year in which it was granted or earned, and not later when distributed, in the event it is deferred.

Any Awards granted to an individual while he or she was an Employee, or while he or she was a Consultant, but not an Outside Director, will not count for purposes of the limitations under this Section 11.

12. No Dividends and Dividend Equivalents on Unvested Awards. Dividends and dividend equivalents will not be paid or settled with respect to any Award granted under the Plan until the underlying shares or units vest, and no dividend equivalents or otherwise may be credited with respect to Options and Stock Appreciation Rights.

13. Leaves of Absence/Transfer Between Locations. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1st) day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

14. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate. In no event may an Award be transferred for consideration to a third-party financial institution.

15. Adjustments; Dissolution or Liquidation; Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award, and the numerical Share limits in Sections 3 and 11 of the Plan. No dividends or dividend equivalents shall be paid or settled with respect to any Award granted under the Plan until the underlying Shares vest, and no dividend equivalents or otherwise shall be credited with respect to Options and Stock Appreciation Rights.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it previously has not been exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control.

Awards will be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and prices. However, in the event that the successor corporation does not assume or substitute for the Award, the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at the greater of one hundred percent (100%) of target levels and the actual level of achievement to which such awards are tracking as of the date of a Change in Control, with all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in

the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 15(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

(d) Outside Director Awards. With respect to Awards granted to an Outside Director that are assumed or substituted for, if on the date of or following such assumption or substitution the Participant's status as a Director or a director of the successor corporation, as applicable, is terminated other than upon a voluntary resignation by the Participant (unless such resignation is at the request of the acquirer), then the Participant will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares which would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met.

16. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or such earlier time as any tax withholding obligations are due, the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part, by (without limitation) (a) paying cash, (b) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld, or (c) delivering to the Company already-owned Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld. The Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

(c) Compliance With Code Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Code Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Code Section 409A, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Code Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A.

17. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company, nor will they interfere in any way with the Participant's right or the Company's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

18. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

19. Term of Plan. Subject to Section 23 of the Plan, the Plan will become effective upon its adoption by the Board. It will continue in effect unless terminated earlier under Section 20 of the Plan.

20. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Administrator may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will materially impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

21. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

22. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of any registration or other qualification of the Shares under any state, federal or foreign law or under the rules and regulations of the Securities and Exchange Commission, the stock exchange on which Shares of the same class are then listed, or any other governmental or regulatory body, which authority, registration, qualification or rule compliance is deemed by the Company's counsel to be necessary or advisable for the issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority, registration, qualification or rule compliance will not have been obtained.

23. Stockholder Approval. The amendment and restatement of the Plan will be subject to approval by the stockholders of the Company at the annual meeting of stockholders that will be held in June 2025. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

**SUNRUN INC.**  
**2015 EQUITY INCENTIVE PLAN**  
**PERFORMANCE STOCK UNIT AWARD AGREEMENT**

**NOTICE OF GRANT OF PERFORMANCE STOCK UNITS**

Unless otherwise defined herein, the terms defined in the 2015 Equity Incentive Plan (the “*Plan*”) shall have the same defined meanings in this Performance Stock Unit Award Agreement, including the Notice of Grant of Performance Stock Units (the “*Notice of Grant*”), the Terms and Conditions of Performance Stock Unit Grant, and any appendices and exhibits attached thereto (all together, the “*Award Agreement*”).

Name (“*Participant*”):      <first\_name> <last\_name>

The undersigned Participant has been granted the right to receive an Award of Performance Stock Units (“*PSU Award*” or “*PSUs*”), subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number:              <Award\_ID>

Grant Date:                 <Award\_Date>

Vesting Commencement  
Date:                         <Vesting Commencement Date>

Number of Shares  
Granted:                     <Shares\_Awarded>

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or set forth below, the Performance Stock Units will vest in accordance with the following schedule:

[INSERT VESTING SCHEDULE]

If the Participant ceases to be a Service Provider for any or no reason before the Participant vests in the PSU Award, the unvested PSU Award shall immediately be cancelled. The PSU Award shall be subject to the terms and conditions under the Plan and the Award Agreement.

[Notwithstanding any to the contrary above, any portion of this PSU Award that would otherwise vest prior to the first anniversary of the Grant Date (as indicated above) shall instead vest on the one (1) year anniversary of the Grant Date, subject to Participant continuing to be a Service Provider through such date, provided that the PSU Award may be accelerated (A) pursuant to

Section 15 of the Plan or pursuant to a severance plan or agreement entered into by and between the Company and Participant, (B) due to Participant’s death, or (C) due to Participant’s Disability.]]<sup>1</sup>

Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby electronically accepts the Award Agreement subject to all of the terms and provisions thereof. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of this Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT

<first\_name> <last\_name>  
\_\_\_\_\_  
Name

ADDRESS:

<Address\_1> <Address\_2>  
<City>, <State> <Zip>  
\_\_\_\_\_

<sup>1</sup> Note: Include for Officers only.

**SUNRUN INC.**  
**2015 EQUITY INCENTIVE PLAN**  
**PERFORMANCE STOCK UNIT AWARD AGREEMENT**

**TERMS AND CONDITIONS OF PERFORMANCE STOCK UNIT GRANT**

1. Grant of Performance Stock Units. The Company hereby grants to the individual (the “Participant”) named in the Notice of Grant of Performance Stock Units of this Award Agreement (the “Notice of Grant”) under the Plan an Award of Performance Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 20(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. Company’s Obligation to Pay. Each Performance Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Performance Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Performance Stock Units. Prior to actual payment of any vested Performance Stock Units, such Performance Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. Vesting Schedule.

(a) Except as provided in Section 4, and subject to Sections 3(b) and 5, the Performance Stock Units awarded by this Award Agreement will vest in accordance with the vesting schedule set forth in the Notice of Grant, subject to Participant continuing to be a Service Provider through each applicable vesting date.

(b) Compliance and Ethics Vesting Condition. Furthermore, in furtherance of the Company’s culture of compliance and in addition to the vesting conditions set forth on the Notice of Grant, each vesting event is conditional upon the Participant being in full compliance with the terms of the Company’s Code of Business Conduct and other Company compliance policies and Participant’s agreements with the Company (including, but not limited to, Participant’s confidentiality obligations and any applicable restrictive covenants) at the time of any applicable vesting event. Failure to satisfy this condition will result in ineligibility for vesting. The Compensation Committee of the Board has sole and exclusive discretion to determine whether this condition has been satisfied.

4. Payment after Vesting.

(a) General Rule. Subject to Section 6, any Performance Stock Units that vest will be paid to Participant (or in the event of Participant’s death, to his or her properly designated beneficiary or estate) in whole Shares. Subject to the provisions of Section 4(b), such vested Performance Stock Units shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will Participant be

permitted, directly or indirectly, to specify the taxable year of payment of any Performance Stock Units payable under this Award Agreement.

(b) Acceleration.

(i) Discretionary Acceleration. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Performance Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Performance Stock Units will be considered as having vested as of the date specified by the Administrator. If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Section 4(b) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) Notwithstanding anything in the Plan or this Award Agreement or any other agreement (whether entered into before, on or after the Date of Grant), if the vesting of the balance, or some lesser portion of the balance, of the Performance Stock Units is accelerated in connection with Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to Participant's death, and if (x) Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Performance Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following Participant's termination as a Service Provider, then the payment of such accelerated Performance Stock Units will not be made until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless Participant dies following his or her termination as a Service Provider, in which case, the Performance Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death.

(c) Section 409A. It is the intent of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the Performance Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). For purposes of this Award Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

5. Forfeiture Upon Termination as a Service Provider. Notwithstanding any contrary provision of this Award Agreement, if Participant ceases to be a Service Provider for any or no reason, the then-unvested Performance Stock Units awarded by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Tax Consequences. Participant has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

8. Tax Obligations

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Performance Stock Units, including, without limitation, (a) all federal, state, and local taxes (including the Participant's Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or the Employer or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (b) the Participant's and, to the extent required by the Company (or Employer), the Company's (or Employer's) fringe benefit tax liability, if any, associated with the grant, vesting, or exercise of the Performance Stock Units or sale of Shares, and (c) any other Company (or Employer) taxes the responsibility for which the Participant has, or has agreed to bear, with respect to the Performance Stock Units (or exercise thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Performance Stock Units, including, but not limited to, the grant, vesting or settlement of the Performance Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Performance Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares.

(b) Tax Withholding. When Shares are issued as payment for vested Performance Stock Units, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a non-U.S. taxpayer, Participant will be subject to applicable taxes in his or her jurisdiction. Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Employer shall withhold the minimum amount required to be withheld for the payment of Tax Obligations. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Tax Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (a) paying cash, (b) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value equal to the amount of such Tax Obligations, (c) withholding the amount of such Tax Obligations from Participant's wages or other cash compensation paid to Participant by the company and/or the Employer, (d) delivering to the Company already vested and owned Shares having a Fair Market Value equal to such Tax Obligations, or (e) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount of the Tax Obligations. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant and, until determined otherwise by the Company, this will be the method by which such Tax Obligations are satisfied. Further, if Participant is subject to tax in more than one jurisdiction between the Date of Grant and a date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges and agrees that the Company and/or the Employer (and/or former employer, as applicable) may be required to withhold or account for tax in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of such Tax Obligations hereunder at the time any applicable Performance Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4, Participant will permanently forfeit such Performance Stock Units and any right to receive Shares thereunder and the Performance Stock Units will be returned to the Company at no cost to the Company. Participant acknowledges and agrees that the Company may refuse to deliver the Shares if such Tax Obligations are not delivered at the time they are due.

9. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

10. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE PERFORMANCE STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE EMPLOYER) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS PERFORMANCE

STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE EMPLOYER) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

11. Grant is Not Transferable. Except to the limited extent provided in Section 6, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

12. Nature of Grant. In accepting the grant, Participant acknowledges, understands and agrees that:

(a) the grant of the Performance Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Performance Stock Units, or benefits in lieu of Performance Stock Units, even if Performance Stock Units have been granted in the past;

(b) all decisions with respect to future Performance Stock Units or other grants, if any, will be at the sole discretion of the Company;

(c) Participant is voluntarily participating in the Plan;

(d) the Performance Stock Units and the Shares subject to the Performance Stock Units are not intended to replace any pension rights or compensation;

(e) the Performance Stock Units and the Shares subject to the Performance Stock Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(f) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted;

(g) for purposes of the Performance Stock Units, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such

termination and whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Performance Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Performance Stock Units grant (including whether Participant may still be considered to be providing services while on a leave of absence);

(h) unless otherwise provided in the Plan or by the Company in its discretion, the Performance Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Performance Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(i) the following provisions apply only if Participant is providing services outside the United States:

(i) the Performance Stock Units and the Shares subject to the Performance Stock Units are not part of normal or expected compensation or salary for any purpose;

(ii) Participant acknowledges and agrees that none of the Company, the Employer or any Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Performance Stock Units or of any amounts due to Participant pursuant to the settlement of the Performance Stock Units or the subsequent sale of any Shares acquired upon settlement; and

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Performance Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Performance Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, any Parent or Subsidiary or the Employer, waives his or her ability, if any, to bring any such claim, and releases the Company, any Parent or Subsidiary and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

13. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

14. Data Privacy. Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Performance Stock Unit grant materials by and among, as applicable, the Employer, the Company and any Parent or Subsidiary for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Performance Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to a stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, any stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her status as a Service Provider and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Performance Stock Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For

more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

15. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at Sunrun Inc., 600 California Street, Suite 1800, San Francisco, California 94108 or at such other address as the Company may hereafter designate in writing.

16. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Performance Stock Units awarded under the Plan or future Performance Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. No Waiver. Either party's failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

18. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Agreement may only be assigned with the prior written consent of the Company.

19. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or foreign law, the tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of the Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Performance Stock Units as the Administrator may establish from time to time for reasons of administrative convenience.

20. Language. If Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

21. Interpretation. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Performance Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

22. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

23. Modifications to the Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Performance Stock Units.

24. Governing Law and Venue. This Award Agreement will be governed by the laws of California, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under the Performance Stock Units or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California, and agree that such litigation will be conducted in the courts of San Francisco, California or the federal courts for the United States for the Northern District of California, and no other courts.

25. Agreement Severable. In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

26. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received Performance Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

27. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

28. Country Addendum. Notwithstanding any provisions in this Award Agreement, the Performance Stock Unit grant shall be subject to any special terms and conditions set forth in any appendix to this Award Agreement for Participant's country. Moreover, if Participant relocates to one of the countries included in the Country Addendum, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Award Agreement.

Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Award Agreement subject to all of the terms and provisions thereof. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting this Award Agreement and fully understands all provisions of this Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Award Agreement.

**SUNRUN INC.  
2015 EQUITY INCENTIVE PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT**

**NOTICE OF GRANT OF RESTRICTED STOCK UNITS**

Unless otherwise defined herein, the terms defined in the 2015 Equity Incentive Plan (the “**Plan**”) shall have the same defined meanings in this Restricted Stock Unit Award Agreement, including the Notice of Grant of Restricted Stock Units (the “**Notice of Grant**”), the Terms and Conditions of Restricted Stock Unit Grant, and any appendices and exhibits attached thereto (all together, the “**Award Agreement**”).

Name (“**Participant**”):      <first\_name> <last\_name>

The undersigned Participant has been granted the right to receive an award of Restricted Stock Units (“**RSUs**”), subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number:              <Award\_ID>

Grant Date:                 <Award\_Date>

Vesting Commencement  
Date:                         <Vesting Commencement Date>

Number of Shares  
Granted:                     <Shares\_Awarded>

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or set forth below, the RSUs shall vest in accordance with the following schedule:

[INSERT VESTING SCHEDULE]

In the event Participant ceases to be a Service Provider for any or no reason before Participant vests in the Restricted Stock Units, the Restricted Stock Units and Participant’s right to acquire any Shares hereunder will immediately terminate.

[Notwithstanding any to the contrary above, any portion of this RSU Award that would otherwise vest prior to the first anniversary of the Grant Date (as indicated above) shall instead vest on the one (1) year anniversary of the Grant Date, subject to Participant continuing to be a Service Provider through such date, provided that the RSU Award may be accelerated (A)]

pursuant to Section 15 of the Plan or pursuant to a severance plan or agreement entered into by and between the Company and Participant, (B) due to Participant’s death, or (C) due to Participant’s Disability.]<sup>2</sup>

Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby electronically accepts this Award Agreement subject to all of the terms and provisions thereof. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of this Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT

<first\_name> <last\_name>  
Name

ADDRESS:

<Address\_1> <Address\_2>  
<City>, <State> <Zip>

\_\_\_\_\_  
<sup>2</sup> Note: Include for Officers only.

**SUNRUN INC.**  
**2015 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**

**TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT**

1. Grant of Restricted Stock Units. The Company hereby grants to the individual (the “Participant”) named in the Notice of Grant of Restricted Stock Units of this Award Agreement (the “Notice of Grant”) under the Plan an Award of Restricted Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 20(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. Company’s Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. Vesting Schedule.

(a) Except as provided in Section 4, and subject to Sections 3(b) and 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting schedule set forth in the Notice of Grant, subject to Participant continuing to be a Service Provider through each applicable vesting date.

(b) Compliance and Ethics Vesting Condition. Furthermore, in furtherance of the Company’s culture of compliance and in addition to the vesting conditions set forth on the Notice of Grant, each vesting event is conditional upon the Participant being in full compliance with the terms of the Company’s Code of Business Conduct and other Company compliance policies and Participant’s agreements with the Company (including, but not limited to, Participant’s confidentiality obligations and any applicable restrictive covenants) at the time of any applicable vesting event. Failure to satisfy this condition will result in ineligibility for vesting. The Compensation Committee of the Board has sole and exclusive discretion to determine whether this condition has been satisfied.

4. Payment after Vesting.

(a) General Rule. Subject to Section 6, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant’s death, to his or her properly designated beneficiary or estate) in whole Shares. Subject to the provisions of Section 4(b), such vested Restricted Stock Units shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will Participant be

permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) Acceleration.

(i) Discretionary Acceleration. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator. If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Section 4(b) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) Notwithstanding anything in the Plan or this Award Agreement or any other agreement (whether entered into before, on or after the Date of Grant), if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to Participant's death, and if (x) Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following Participant's termination as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death.

(c) Section 409A. It is the intent of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). For purposes of this Award Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

5. Forfeiture Upon Termination as a Service Provider. Notwithstanding any contrary provision of this Award Agreement, if Participant ceases to be a Service Provider for any or no reason, the then-unvested Restricted Stock Units awarded by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Tax Consequences. Participant has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

8. Tax Obligations

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (a) all federal, state, and local taxes (including the Participant's Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or the Employer or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (b) the Participant's and, to the extent required by the Company (or Employer), the Company's (or Employer's) fringe benefit tax liability, if any, associated with the grant, vesting, or exercise of the Restricted Stock Units or sale of Shares, and (c) any other Company (or Employer) taxes the responsibility for which the Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or exercise thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares.

(b) Tax Withholding. When Shares are issued as payment for vested Restricted Stock Units, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a non-U.S. taxpayer, Participant will be subject to applicable taxes in his or her jurisdiction. Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Employer shall withhold the minimum amount required to be withheld for the payment of Tax Obligations. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Tax Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (a) paying cash, (b) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value equal to the amount of such Tax Obligations, (c) withholding the amount of such Tax Obligations from Participant's wages or other cash compensation paid to Participant by the company and/or the Employer, (d) delivering to the Company already vested and owned Shares having a Fair Market Value equal to such Tax Obligations, or (e) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount of the Tax Obligations. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant and, until determined otherwise by the Company, this will be the method by which such Tax Obligations are satisfied. Further, if Participant is subject to tax in more than one jurisdiction between the Date of Grant and a date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges and agrees that the Company and/or the Employer (and/or former employer, as applicable) may be required to withhold or account for tax in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of such Tax Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4, Participant will permanently forfeit such Restricted Stock Units and any right to receive Shares thereunder and the Restricted Stock Units will be returned to the Company at no cost to the Company. Participant acknowledges and agrees that the Company may refuse to deliver the Shares if such Tax Obligations are not delivered at the time they are due.

9. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

10. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE EMPLOYER) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED

STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE EMPLOYER) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

11. Grant is Not Transferable. Except to the limited extent provided in Section 6, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

12. Nature of Grant. In accepting the grant, Participant acknowledges, understands and agrees that:

- (a) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;
- (b) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;
- (c) Participant is voluntarily participating in the Plan;
- (d) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not intended to replace any pension rights or compensation;
- (e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (f) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted;
- (g) for purposes of the Restricted Stock Units, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later to be found invalid or in breach of employment laws in the

jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Restricted Stock Units grant (including whether Participant may still be considered to be providing services while on a leave of absence);

(h) unless otherwise provided in the Plan or by the Company in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(i) the following provisions apply only if Participant is providing services outside the United States:

(i) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not part of normal or expected compensation or salary for any purpose;

(ii) Participant acknowledges and agrees that none of the Company, the Employer or any Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement; and

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, any Parent or Subsidiary or the Employer, waives his or her ability, if any, to bring any such claim, and releases the Company, any Parent or Subsidiary and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

13. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

14. Data Privacy. Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Employer, the Company and any Parent or Subsidiary for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to a stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, any stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her status as a Service Provider and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For

more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

15. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at Sunrun Inc., 225 Bush Street, Suite 1400, San Francisco, California 94104, Attention: Stock Plan Administrator, or at such other address as the Company may hereafter designate in writing.

16. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. No Waiver. Either party's failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

18. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Agreement may only be assigned with the prior written consent of the Company.

19. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or foreign law, the tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of the Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Administrator may establish from time to time for reasons of administrative convenience.

20. Language. If Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
21. Interpretation. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.
22. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.
23. Modifications to the Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Restricted Stock Units.
24. Governing Law and Venue. This Award Agreement will be governed by the laws of California, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under the Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California, and agree that such litigation will be conducted in the courts of San Francisco, California or the federal courts for the United States for the Northern District of California, and no other courts.
25. Agreement Severable. In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.
26. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

27. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

28. Country Addendum. Notwithstanding any provisions in this Award Agreement, the Restricted Stock Unit grant shall be subject to any special terms and conditions set forth in any appendix to this Award Agreement for Participant's country. Moreover, if Participant relocates to one of the countries included in the Country Addendum, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Award Agreement.

Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Award Agreement subject to all of the terms and provisions thereof. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to accepting this Award Agreement and fully understands all provisions of this Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Award Agreement.

**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mary Powell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sunrun Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2025

By:

/s/ Mary Powell

**Mary Powell**  
**Chief Executive Officer**  
**(Principal Executive Officer)**

**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Danny Abajian, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sunrun Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2025

By:

\_\_\_\_\_  
/s/ Danny Abajian  
**Danny Abajian**  
**Chief Financial Officer**  
**(Principal Financial Officer)**

**Certifications Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002  
(18 U.S.C. Section 1350)**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Sunrun Inc. (the "Company") hereby certifies that the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2025

By: /s/ Mary Powell  
**Mary Powell**  
**Chief Executive Officer**  
**(Principal Executive Officer)**

By: /s/ Danny Abajian  
**Danny Abajian**  
**Chief Financial Officer**  
**(Principal Financial Officer)**