



Investor Presentation

August 30, 2019

sunnova[™]



Legal Disclaimer

- This presentation and the accompanying oral presentations contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally relate to future events or Sunnova's 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," "anticipates," "going to," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern Sunnova's expectations, strategy, priorities, plans or intentions. Forward-looking statements in this presentation include, but are not limited to, statements regarding Sunnova's future customer growth rate, future financial and operating performance, including its outlook and guidance, demand for Sunnova's products and services, adoption and implementation of new Sunnova products and technology, the markets in which Sunnova operates, maintenance and growth of our dealer network and the future of solar energy and energy storage services. Sunnova's expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected, including risks regarding our ability to forecast our business due to our limited operating history, our competition, fluctuations in the solar and home-building markets, our ability to attract and retain dealers and customers and our dealer and strategic partner relationships. The forward-looking statements contained in this presentation are also subject to other risks and uncertainties, including those more fully described in Sunnova's filings with the Securities and Exchange Commission, including Sunnova's prospectus filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended, on July 26, 2019. The forward-looking statements in this presentation are based on information available to Sunnova as of the date hereof, and Sunnova disclaims any obligation to update any forward-looking statements, except as required by law.
- In addition to financial information presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation and the accompanying oral presentation include certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted Cash Flow and Adjusted Operating Expense. These non-GAAP measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. These non-GAAP measures have limitations as analytical tools, and they should not be considered in isolation or as a substitute for analysis of other GAAP financial measures. Adjusted EBITDA and Adjusted Operating Expense are non-GAAP financial measures that help management, investors and securities analysts in evaluating Sunnova's performance. These measurements are not recognized in accordance with GAAP and should not be viewed as alternatives to GAAP measures of performance. The GAAP measures most directly comparable to Adjusted EBITDA and Adjusted Operating Expense are net income/loss and total operating expense, respectively. Adjusted Operating Cash Flows is a non-GAAP measure that helps management, investors and analysts in evaluating Sunnova's liquidity and ability to service its contractual obligations. This measurement is not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of liquidity. The GAAP measure most directly comparable to Adjusted Operating Cash Flow is net cash used in operating activities. Adjusted EBITDA, Adjusted Operating Cash Flows and Adjusted Operating Expense have limitations as analytical tools, and should not be considered in isolation or as a substitute for analysis of Sunnova's results as reported under GAAP. In addition, Adjusted EBITDA, Adjusted Operating Cash Flows and Adjusted Operating Expense are not necessarily comparable to Adjusted EBITDA, Adjusted Operating Cash Flows or Adjusted Operating Expense as calculated by other companies. Reconciliations of each of these measures to their most directly comparable GAAP measure are included in the appendix to this presentation for historical periods. Sunnova is unable to reconcile projected Adjusted EBITDA, Adjusted Operating Expense and Adjusted Operating Cash Flow to the most comparable financial measures calculated in accordance with GAAP because of fluctuations in interest rates and their impact on our unrealized and realized interest rate hedge gains or losses. Sunnova provides a range for the forecasts of Adjusted EBITDA, Adjusted Operating Expense and Adjusted Operating Cash Flow to allow for the variability in the timing of cash receipts and disbursements, customer utilization of our assets, and the impact on the related reconciling items, many of which interplay with each other. Therefore, the reconciliation of projected Adjusted EBITDA, Adjusted Operating Expense and Adjusted Operating Cash Flow to projected net income (loss), total operating expense, or net cash provided by (used in) operating activities, as the case may be, is not available without unreasonable effort.
- This presentation includes operational metrics such as number of customers, weighted average number of customers and estimated gross contracted customer value. These operational metrics are not necessarily comparable to the same or similar metrics as calculated by other companies.
- This presentation and the accompanying oral presentation also contain market data, statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to such information. Some data are also based on Sunnova's good faith estimates, which are derived from its review of internal sources as well as the independent sources described above. Although Sunnova believes these sources are reliable, we have not independently verified the accuracy or completeness of the information contained in the industry publications and other publicly available information. Accordingly, Sunnova makes no representations as to the accuracy or completeness of that information nor do we undertake to update such information after the date of this presentation.

Sunnova is a Leading Residential Solar and Energy Storage Service Provider

100

Independent dealers drive operating leverage and flexibility



Multiple service offerings and long-term financing solutions for customers

27%

Year-over-year customer growth

2+

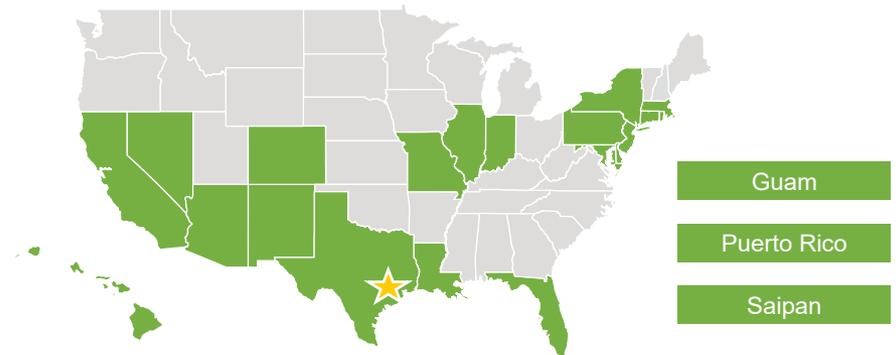
2+ years of positive Adjusted EBITDA

A Differentiated Ecosystem



Strategic Footprint

Regions with In-Service Assets





Sunnova is Positioned to Deliver Value

- Customer Growth
- Dealer Growth
- Product Growth



- Dealer Model Enables
- Platform Scales Efficiently
- Proven

- Adjusted EBITDA and P&I Growth
- Multiple Financing Options
- Cash to Drive Future Growth

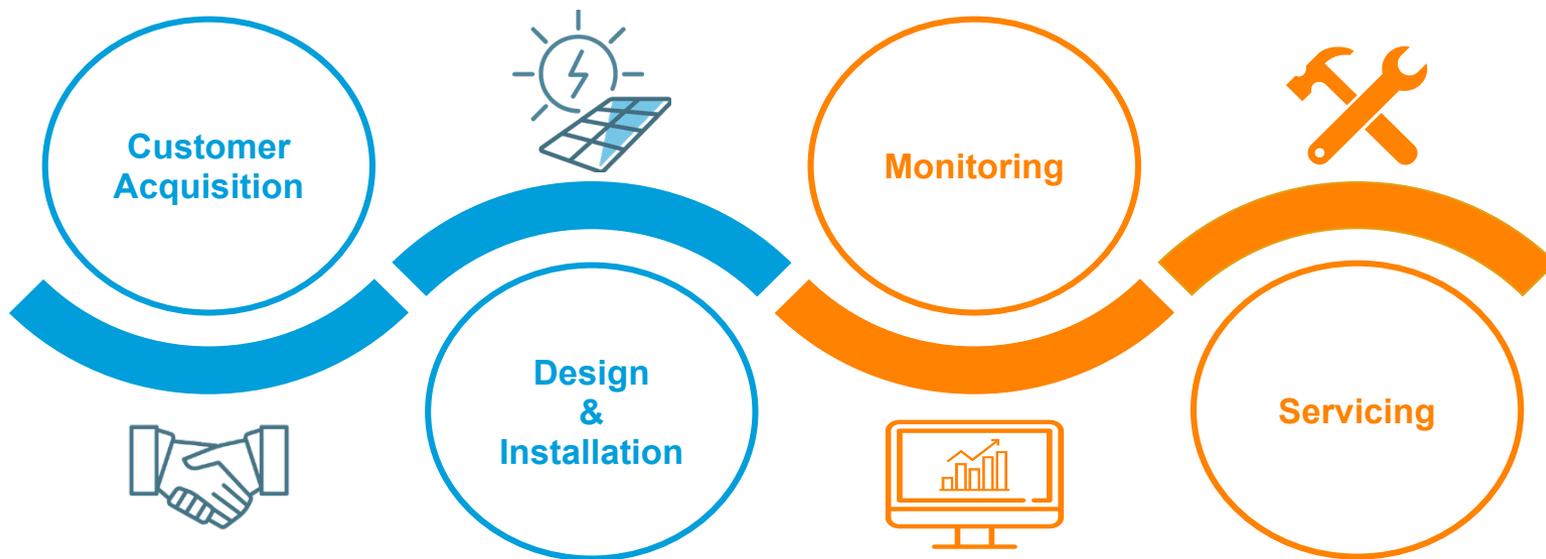


Differentiated Dealer Model



Focus on Long-Term Customer Service & Relationship

Sunnova partners with local dealers to drive customer origination and reduce overhead costs, while retaining the long-term customer relationship.



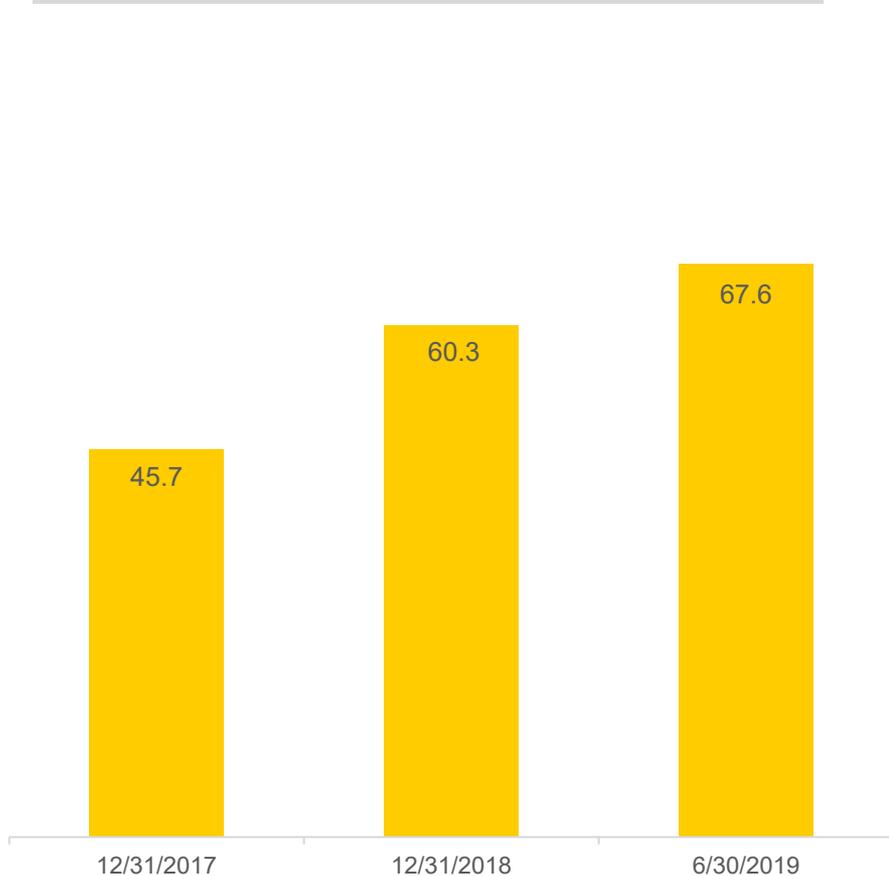
Dealers adhere to Sunnova's underwriting criteria, strict consumer compliance standards, and installation framework

Sunnova owns the long-term service relationship typically under **25-year contracts**, positioning us to meet the evolving needs of our customers

Entire customer experience managed via Sunnova's **scalable technology platform**

The strength of our business model is illustrated by our financial results.

Total Customers (000s)



Adjusted EBITDA ⁽¹⁾ and P⁽²⁾ & I (\$M)

- Interest
- Principal
- AEBITDA



Adjusted Operating Cash Flow ⁽¹⁾ (\$M)



1. Adjusted EBITDA and Adjusted Operating Cash Flows are non-GAAP financial measures. See slides 14 and 15 for a reconciliation to the most directly comparable GAAP measure
 2. Net of amounts recorded in revenue



Financial Highlights

sunnova[™]



Key Financial Update

US\$ millions except for customer count

	Annual			Second Quarter	
Key Financial Results	2017	2018	2019 YTD	2Q'18	2Q'19
Revenue	76.9	104.4	61.3	29.0	34.6
Adjusted Operating Expense	53.5	63.3	39.7	15.8	21.0
Adjusted EBITDA	23.4	41.1	21.7	13.2	13.6
Loan Principal Payments ⁽¹⁾	2.4	6.8	8.7	2.0	5.2
Loan Interest Payments	3.0	6.1	5.0	1.4	2.7
Adjusted Operating Cash Flow	(44.5)	8.4	(20.0)		

Key Operating Metrics	2017	2018	2019 YTD	2Q'18	2Q'19
Weighted Average Customers	38,800	53,400	63,900	51,800	65,800

<i>US\$ billions</i>	12/31/2017	12/31/2018	6/30/2019
Est. Gross Contracted Customer Value	1.13	1.48	1.65

1. Net of amounts recorded in revenue

Recent financing activity positions Sunnova well for future growth.

Accomplishments		
✓	Initial Public Offering	\$178M
✓	Closed Private Placement (“RAYS I”)	\$364M
✓	Refinanced and Expanded Warehouses	\$350M
✓	Refinanced Senior Notes	\$45M
✓	Loan Securitization (“2019-A”)	\$168M
✓	New Tax Equity Commitment	\$75M

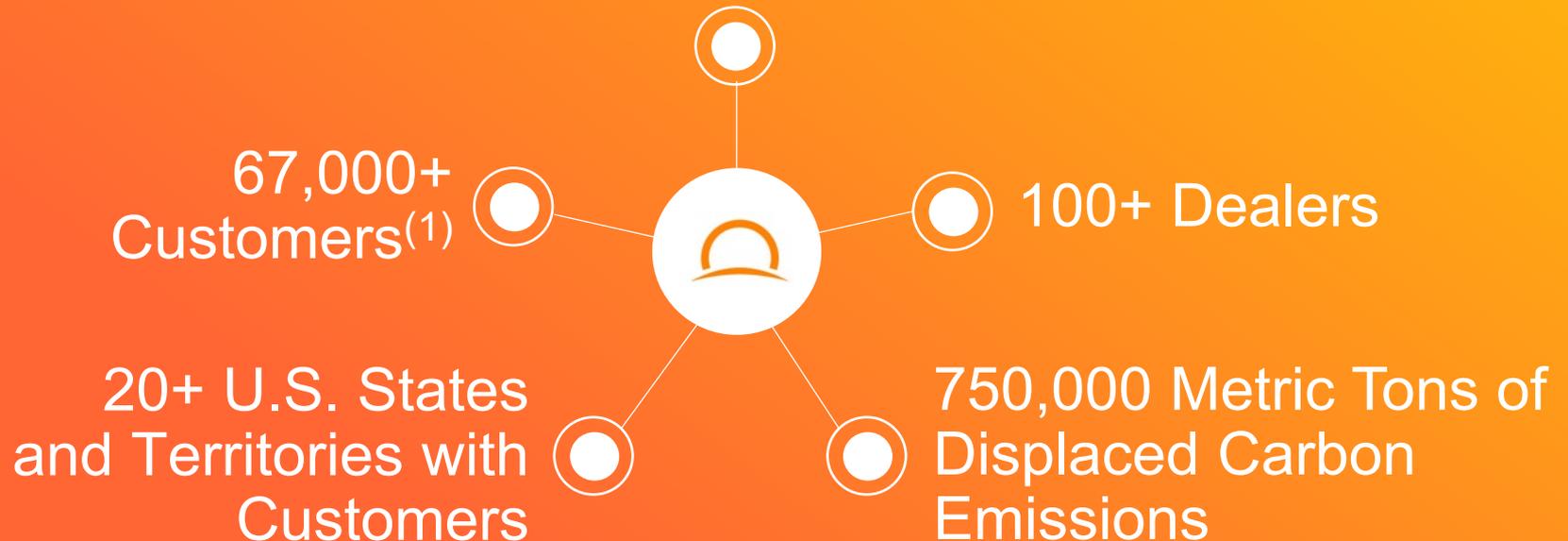
- Plan to safe harbor assets for ITC
- No debt at operating company or public parent
- Flexible strategy to finance future growth



Sunnova is the source for clean, affordable and reliable energy, with a simple mission:

to power energy independence.

25-Year Solar Service Agreements



1) Total cumulative customers as of 6/30/2019



Appendix

sunnova™


Financial Statements & Operating Metrics
(dollars in thousands; customer counts and per customer values in units; customer values in millions)
BALANCE SHEET

As of	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Assets										
Current assets:										
Cash	\$25,429	\$27,172	\$15,509	\$56,318	\$100,026	\$53,723	\$71,149	\$52,706	\$43,858	\$58,776
Accounts receivable - trade, net	4,465	6,383	5,222	4,331	5,197	7,728	7,650	6,312	7,363	11,150
Accounts receivable - other	4,733	10,242	2,442	7,821	5,744	7,571	10,050	3,721	3,153	4,531
Channel partner advances	7,009	9,255	12,306	–	–	–	–	–	–	–
Other current assets	6,514	7,540	7,016	12,807	13,787	20,148	18,088	26,794	31,580	34,546
Total current assets	\$48,150	\$60,592	\$42,495	\$81,277	\$124,754	\$89,170	\$106,937	\$89,533	\$85,954	\$109,003
Property and equipment, net	919,187	974,285	1,044,741	1,113,073	1,165,281	1,224,378	1,280,802	1,328,457	1,399,299	1,499,891
Customer notes receivable, net	44,092	52,455	60,435	73,657	93,714	118,872	143,682	172,031	197,780	223,645
Other assets	45,805	47,378	51,641	60,781	71,264	78,146	93,814	75,064	86,430	120,125
Total assets	\$1,057,234	\$1,134,710	\$1,199,312	\$1,328,788	\$1,455,013	\$1,510,566	\$1,625,235	\$1,665,085	\$1,769,463	\$1,952,664
Liabilities, Redeemable Noncontrolling Interests and Stockholders' Equity										
Current liabilities:										
Accounts payable	\$20,501	\$24,400	\$27,997	\$23,867	\$18,838	\$21,377	\$25,612	\$20,075	\$34,904	\$45,134
Accrued expenses	7,770	11,464	11,957	13,976	11,206	10,770	16,436	18,650	12,495	18,861
Current portion of long-term debt	237,420	4,135	25,550	107,628	101,301	356,695	365,821	43,465	51,470	75,908
Other current liabilities	4,356	6,117	3,652	8,424	7,527	10,109	6,636	13,214	11,206	18,701
Total current liabilities	\$270,047	\$46,116	\$69,156	\$153,895	\$138,872	\$398,951	\$414,505	\$95,404	\$110,075	\$158,604
Long-term debt, net	420,731	735,423	765,883	723,697	763,015	543,536	572,303	916,430	1,016,412	1,152,884
Other long-term liabilities	28,276	33,239	38,398	41,422	42,747	48,195	53,057	66,453	75,645	92,044
Total liabilities	\$719,054	\$814,778	\$873,437	\$919,014	\$944,634	\$990,682	\$1,039,865	\$1,078,287	\$1,202,132	\$1,403,532
Redeemable noncontrolling interests	1,986	7,286	22,992	38,590	49,357	65,230	73,348	85,680	94,016	107,547
Stockholders' equity	336,194	312,646	302,883	371,184	461,022	454,654	512,022	501,118	473,315	441,585
Total liabilities, redeemable noncontrolling interests and stockholders' equity	\$1,057,234	\$1,134,710	\$1,199,312	\$1,328,788	\$1,455,013	\$1,510,566	\$1,625,235	\$1,665,085	\$1,769,463	\$1,952,664

INCOME STATEMENT

Period	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019
Revenue	\$14,952	\$21,743	\$22,359	\$17,802	\$19,784	\$28,963	\$30,429	\$25,206	\$26,715	\$34,612
Operating expense:										
Cost of revenue - depreciation	5,881	6,122	6,701	7,192	7,845	8,274	9,349	9,242	9,653	10,225
Cost of revenue - other	303	314	398	429	412	448	614	533	652	1,076
Other operating expenses	14,629	14,186	14,644	16,412	18,679	17,806	17,062	27,848	20,917	26,021
Total operating expense, net	20,813	20,622	21,743	24,033	26,936	26,528	27,025	37,623	31,222	37,322
Operating income (loss)	(5,861)	1,121	616	(6,231)	(7,152)	2,435	3,404	(12,417)	(4,507)	(2,710)
Interest expense, net	6,928	25,153	15,523	12,243	4,983	10,724	9,416	26,459	31,661	37,310
Interest expense, net - affiliates	6,561	11,428	2,665	2,523	2,493	2,354	2,398	2,303	1,822	1,575
Interest income	(618)	(766)	(854)	(959)	(1,192)	(1,418)	(1,763)	(2,077)	(2,494)	(2,967)
Loss on extinguishment of long-term debt, net - affiliates	–	–	–	–	–	–	–	–	–	10,645
Other (income) expense	–	–	–	–	–	(1)	–	–	–	534
Loss before income tax	(18,732)	(34,694)	(16,718)	(20,038)	(13,436)	(9,224)	(6,647)	(39,102)	(35,496)	(49,807)
Income tax	–	–	–	–	–	–	–	–	–	–
Net loss	(18,732)	(34,694)	(16,718)	(20,038)	(13,436)	(9,224)	(6,647)	(39,102)	(35,496)	(49,807)
Net income (loss) attributable to redeemable noncontrolling interests	1,558	128	213	(996)	774	3,350	(13)	1,726	3,018	931
Net loss attributable to stockholders	(20,290)	(34,822)	(16,931)	(19,042)	(14,210)	(12,574)	(6,634)	(40,828)	(38,514)	(50,738)


Financial Statements & Operating Metrics
(dollars in thousands; customer counts and per customer values in units; customer values in millions)
STATEMENT OF CASH FLOWS

Period	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019
CASH FLOWS FROM OPERATING ACTIVITIES										
Net loss	(\$18,732)	(\$34,694)	(\$16,718)	(\$20,038)	(\$13,436)	(\$9,224)	(\$6,647)	(\$39,102)	(\$35,496)	(\$49,807)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:										
Depreciation	6,626	7,025	7,612	8,219	8,964	9,386	10,650	10,290	11,012	11,627
Impairment and loss on disposals, net	68	410	259	1,043	704	451	80	6,330	364	487
Amortization of deferred financing costs	1,797	7,968	2,510	2,293	2,570	1,793	2,125	2,586	6,324	1,446
Amortization of debt discount	9	28	453	269	242	259	265	317	472	820
Amortization of debt discount - affiliates	600	8,402	—	—	—	—	—	—	—	—
Non-cash effect of equity-based compensation plans	272	341	532	350	726	682	774	802	281	713
Non-cash payment-in-kind interest on loan - affiliates	—	880	1,426	1,263	1,297	1,403	1,432	1,392	1,158	1,043
Unrealized (gain) loss on derivatives	509	5,105	1,832	(1,502)	(9,140)	(4,518)	(6,989)	26,747	7,032	10,417
Loss on fair value option securities	—	—	—	—	—	—	—	—	—	534
Loss on extinguishment of long-term debt, net - affiliates	—	—	—	—	—	—	—	—	—	10,645
Other non-cash items	679	595	731	1,075	1,599	1,026	976	1,217	1,000	2,470
Changes in components of operating assets and liabilities:										
Accounts receivable	(424)	(1,927)	867	643	(1,154)	(3,328)	(3,192)	2,691	(1,167)	(5,430)
Channel partner advances	(2,320)	(559)	(5,065)	(2,734)	(237)	—	—	—	—	—
Other current assets	(2,208)	(692)	1,065	(1,157)	(3,640)	(2,965)	(789)	(3,937)	(8,961)	(396)
Other assets	(1,129)	(1,187)	(1,050)	(1,107)	(1,546)	(2,054)	(2,971)	(1,958)	(3,979)	(22,084)
Accounts payable	(305)	(2,169)	987	267	(1,064)	485	434	(851)	6,771	(4,492)
Accrued expenses	(2,670)	969	2,003	1,079	(2,134)	2,072	2,149	2,147	(4,455)	2,460
Other current liabilities	927	2,764	(2,469)	4,654	(776)	2,603	(3,471)	6,582	(2,206)	7,568
Long-term debt - paid-in-kind - affiliates	—	(17,277)	—	—	(1,144)	—	—	(2,040)	—	—
Other long-term liabilities	(155)	444	445	1,026	(1,051)	588	493	459	(2,580)	715
Net cash provided by (used in) operating activities	(16,456)	(23,574)	(4,580)	(4,357)	(19,220)	(1,341)	(4,681)	13,672	(24,430)	(31,264)
CASH FLOWS FROM INVESTING ACTIVITIES										
Purchases of property and equipment	(48,011)	(57,826)	(63,923)	(70,818)	(60,977)	(63,090)	(60,193)	(68,358)	(68,902)	(95,894)
Payments for investments and customer notes receivable	(9,440)	(8,874)	(13,220)	(20,871)	(23,462)	(27,047)	(30,048)	(27,797)	(27,732)	(34,628)
Principal proceeds from customer notes receivable	442	1,020	615	739	1,526	2,242	1,965	1,982	3,757	5,579
State utility rebates	16	3	68	534	189	261	241	162	111	116
Other, net	41	(874)	224	1,022	(1,586)	101	46	4,994	86	97
Net cash used in investing activities	(56,952)	(66,551)	(76,236)	(89,394)	(84,310)	(87,533)	(87,989)	(89,017)	(92,680)	(124,730)
CASH FLOWS FROM FINANCING ACTIVITIES										
Proceeds from long-term debt	50,657	536,097	90,614	57,126	45,967	36,940	49,767	312,912	227,930	298,115
Payments of long-term debt	(1,365)	(316,607)	(51,666)	(4,912)	(10,448)	(3,973)	(12,624)	(265,046)	(123,858)	(163,505)
Proceeds of long-term debt from affiliates	—	80,000	15,000	—	15,000	—	—	—	—	15,000
Payments of long-term debt to affiliates	(19,005)	(196,835)	—	—	(20,000)	—	—	(20,000)	—	—
Payments on notes payable	(247)	—	—	—	—	—	—	—	—	(248)
Payments of deferred financing costs	(112)	(23,151)	(2,788)	(1,576)	(572)	(178)	(1,003)	(6,845)	(5,281)	(1,987)
Payments of debt discounts	(375)	—	—	—	—	(70)	(1,813)	(582)	(525)	(559)
Payments of initial public offering costs	—	—	—	—	—	—	—	—	—	(484)
Proceeds from issuance of convertible preferred stock, net	25,000	—	—	64,890	99,877	(2,731)	59,971	15,654	(2,253)	(256)
Contributions from redeemable noncontrolling interests	8,070	16,177	22,105	25,871	17,139	17,726	16,562	27,590	18,030	32,207
Distributions to redeemable noncontrolling interests	—	—	—	(294)	(339)	(450)	(533)	(695)	(3,652)	(1,491)
Payments of costs related to redeemable noncontrolling interests	(1,709)	(84)	(44)	(877)	(832)	(47)	(106)	(525)	(1,035)	(587)
Other, net	—	(29)	(19)	(19)	(1)	—	(5)	—	(5)	(2)
Net cash provided by financing activities	60,914	95,568	73,202	140,209	145,791	47,217	110,216	62,463	109,351	176,203
Net increase (decrease) in cash and restricted cash	(12,494)	5,443	(7,614)	46,458	42,261	(41,657)	17,546	(12,882)	(7,759)	20,209
Cash and restricted cash at beginning of period	49,985	37,491	42,934	35,320	81,778	124,039	82,382	99,928	87,046	79,287
Cash and restricted cash at end of period	37,491	42,934	35,320	81,778	124,039	82,382	99,928	87,046	79,287	99,496
Restricted cash included in other current assets	(218)	(238)	(430)	(4,555)	(293)	(2,979)	(368)	(5,190)	(430)	(482)
Restricted cash included in other assets	(11,844)	(15,524)	(19,381)	(20,905)	(23,720)	(25,680)	(28,411)	(29,150)	(34,999)	(40,238)
Cash at end of period	\$25,429	\$27,172	\$15,509	\$56,318	\$100,026	\$53,723	\$71,149	\$52,706	\$43,858	\$58,776


Financial Statements & Operating Metrics
(dollars in thousands; customer counts and per customer values in units; customer values in millions)
SELECTED BALANCE SHEET AND INCOME STATEMENT DETAIL

As of	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
A - Other current assets										
Inventory	\$213	\$798	\$773	\$1,853	\$2,711	\$4,339	\$4,627	\$9,187	\$15,787	\$16,526
Restricted cash	218	238	430	4,555	293	2,979	368	5,190	430	482
Prepaid assets	4,057	3,991	2,728	3,030	4,999	5,047	4,197	2,739	4,559	5,510
Deferred receivables	119	295	487	251	252	585	917	555	477	842
Current portion of customer notes receivable	1,839	2,152	2,475	2,994	3,820	4,824	5,896	7,601	8,827	10,143
Current portion of notes receivable - other	68	66	123	124	1,712	1,647	1,588	1,522	1,500	1,043
Other	-	-	-	-	-	727	495	-	-	-
Total other current assets	\$6,514	\$7,540	\$7,016	\$12,807	\$13,787	\$20,148	\$18,088	\$26,794	\$31,580	\$34,546
B - Property and equipment, net										
Solar energy systems	\$818,422	\$873,099	\$935,719	\$1,031,555	\$1,114,849	\$1,186,890	\$1,253,662	\$1,311,458	\$1,373,925	\$1,459,249
Construction in progress	116,226	119,548	135,661	112,399	89,057	84,443	83,120	77,847	94,743	118,581
Asset retirement obligations	11,050	11,801	12,729	13,864	14,948	15,893	16,687	17,381	18,160	19,118
Information technology systems	7,745	9,277	9,299	12,063	12,103	12,159	12,854	17,380	18,618	20,488
Computers and equipment	1,063	1,063	1,069	1,103	1,151	1,146	1,190	1,251	1,337	1,433
Leasehold improvements	865	865	883	883	883	883	883	883	883	883
Furniture and fixtures	730	730	732	733	733	733	733	735	735	735
Vehicles	376	469	495	532	539	543	543	548	807	869
Other	30	23	25	23	24	50	52	52	92	116
Property and equipment, gross	956,507	1,016,875	1,096,612	1,173,155	1,234,287	1,302,740	1,369,724	1,427,535	1,509,300	1,621,472
Accumulated depreciation	(37,320)	(42,590)	(51,871)	(60,082)	(69,006)	(78,362)	(88,922)	(99,078)	(110,001)	(121,581)
Property and equipment, net	\$919,187	\$974,285	\$1,044,741	\$1,113,073	\$1,165,281	\$1,224,378	\$1,280,802	\$1,328,457	\$1,399,299	\$1,499,891
C - Other assets										
Restricted cash	\$11,844	\$15,524	\$19,381	\$20,905	\$23,720	\$25,680	\$28,411	\$29,150	\$34,999	\$40,238
Construction in progress - customer notes receivable	8,623	7,947	12,562	18,235	19,937	19,661	22,441	20,395	19,209	23,124
Exclusivity and other bonus arrangements with dealers, net	-	-	-	-	-	-	-	-	2,166	22,120
Straight-line revenue adjustment	6,574	7,567	8,647	9,868	11,328	12,981	14,793	16,682	18,624	20,602
Other	18,764	16,340	11,051	11,773	16,279	19,824	28,169	8,837	11,432	14,041
Total other assets	\$45,805	\$47,378	\$51,641	\$60,781	\$71,264	\$78,146	\$93,814	\$75,064	\$86,430	\$120,125
D - Long-term debt										
Sunnova Energy Corporation	-	\$78,474	\$95,275	\$81,791	\$77,603	\$79,316	\$81,155	\$60,681	\$61,855	\$90,827
Secure term loans and warehouse facilities:										
LV3	40,463	40,216	1,222	-	-	-	-	-	-	-
AP4	106,695	106,079	105,467	106,212	105,583	104,805	104,148	103,442	102,775	94,763
AP5H	202,494	-	-	-	-	-	-	-	-	-
AP5C	233,300	-	-	-	-	-	-	-	-	-
AP6WII	75,199	10,005	63,026	82,927	114,525	135,281	133,602	54,294	70,765	-
LAPH	-	234,397	236,603	234,666	232,697	230,823	227,060	43,170	42,877	42,865
EZOP	-	30,900	29,880	29,740	29,350	28,523	40,500	58,200	96,204	41,318
TEPIH	-	-	27,096	62,319	76,789	93,084	102,139	105,641	-	-
TEPIIH	-	-	-	-	-	-	26,119	54,230	95,481	195,552
Solar asset-backed notes:										
HELI	-	239,487	232,864	233,670	227,769	228,399	223,401	224,017	217,038	217,641
HELII	-	-	-	-	-	-	-	256,220	252,939	253,154
RAYSI	-	-	-	-	-	-	-	-	127,948	130,035
HELIII	-	-	-	-	-	-	-	-	-	162,637
Total long-term debt	\$658,151	\$739,558	\$791,433	\$831,325	\$864,316	\$900,231	\$938,124	\$959,895	\$1,067,882	\$1,228,792


Financial Statements & Operating Metrics
(dollars in thousands; customer counts and per customer values in units; customer values in millions)
SELECTED BALANCE SHEET AND INCOME STATEMENT DETAIL (continued)

As of	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
E - Other current liabilities										
Interest payable	\$263	\$3,459	\$1,391	\$5,216	\$1,964	\$5,660	\$2,538	\$8,150	\$5,063	\$13,486
Current portion of performance guarantee obligations	564	680	754	958	1,961	2,215	2,529	2,580	3,058	3,618
Deferred revenue	1,687	1,128	639	1,229	2,696	1,327	654	1,593	2,045	651
Current portion of lease liability	829	844	860	875	891	907	914	871	1,032	946
Other	1,013	6	8	146	15	–	1	20	8	–
Total other current liabilities	\$4,356	\$6,117	\$3,652	\$8,424	\$7,527	\$10,109	\$6,636	\$13,214	\$11,206	\$18,701
F - Other long-term liabilities										
Deferred revenue	\$11,141	\$13,483	\$15,539	\$17,779	\$21,296	\$25,248	\$28,595	\$32,455	\$35,900	\$40,089
Long-term derivative liability	45	1,453	3,285	2,018	–	–	–	8,161	14,925	25,341
Asset retirement obligations	11,973	12,973	14,011	15,347	16,641	17,988	19,056	20,033	21,123	22,407
Other	5,117	5,330	5,563	6,278	4,810	4,959	5,406	5,804	3,697	4,207
Total other long-term liabilities	\$28,276	\$33,239	\$38,398	\$41,422	\$42,747	\$48,195	\$53,057	\$66,453	\$75,645	\$92,044

Period	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019
G - Revenue										
PPA Revenue	\$6,177	\$9,266	\$8,530	\$5,198	\$7,288	\$11,459	\$11,508	\$8,695	\$9,612	\$13,954
Lease Revenue	4,900	5,227	5,799	5,940	7,237	8,144	8,452	9,247	9,638	9,620
SREC revenue	3,662	6,992	7,773	6,406	4,964	8,898	9,944	6,824	6,592	9,716
Easy Own revenue	106	104	122	147	178	224	251	280	371	363
Other revenue	107	154	135	111	117	238	274	160	502	959
Total revenue	\$14,952	\$21,743	\$22,359	\$17,802	\$19,784	\$28,963	\$30,429	\$25,206	\$26,715	\$34,612

KEY PERFORMANCE METRICS, NON-GAAP RECONCILIATIONS AND OTHER METRICS

As of	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Cumulative customer count										
Lease	11,716	12,793	14,252	15,951	17,606	19,259	20,507	21,561	22,361	23,176
PPA	22,687	24,195	25,375	27,259	28,934	30,228	31,449	32,634	34,180	36,355
Loan	1,493	1,770	2,036	2,503	3,247	4,156	5,080	6,104	7,021	8,026
Other	–	–	–	–	–	–	–	–	13	31
Cumulative customer count	35,896	38,758	41,663	45,713	49,787	53,643	57,036	60,299	63,575	67,588
Weighted average customer count										
Lease	11,301	12,181	13,488	15,079	16,782	18,501	19,892	21,078	21,967	22,762
PPA	21,657	23,458	24,788	26,211	28,123	29,576	30,850	32,062	33,361	35,268
Loan	1,366	1,621	1,900	2,239	2,882	3,710	4,649	5,620	6,673	7,727
Other	–	–	–	–	–	–	–	–	6	25
Weighted average customer count	34,324	37,260	40,176	43,529	47,787	51,787	55,391	58,760	62,007	65,782
Estimated Gross Customer Value (customer values in millions; per customer values in units)										
Estimated Gross Contracted Customer Value	\$903	\$948	\$1,027	\$1,127	\$1,270	\$1,316	\$1,382	\$1,476	\$1,568	\$1,652
Estimated Gross Renewal Customer Value	111	117	139	149	158	164	191	199	203	209
Estimated Gross Customer Value	\$1,014	\$1,065	\$1,166	\$1,276	\$1,428	\$1,480	\$1,573	\$1,675	\$1,771	\$1,861
<i>Estimated Gross Customer Value per Customer</i>	<i>\$28,245</i>	<i>\$27,448</i>	<i>\$27,962</i>	<i>\$27,921</i>	<i>\$28,675</i>	<i>\$27,612</i>	<i>\$27,596</i>	<i>\$27,778</i>	<i>\$27,846</i>	<i>\$27,530</i>
<i>Estimated Gross Contracted Customer Value per Customer</i>	<i>\$25,153</i>	<i>\$24,433</i>	<i>\$24,628</i>	<i>\$24,661</i>	<i>\$25,502</i>	<i>\$24,552</i>	<i>\$24,246</i>	<i>\$24,478</i>	<i>\$24,654</i>	<i>\$24,438</i>


Financial Statements & Operating Metrics
(dollars in thousands; customer counts and per customer values in units; customer values in millions)
KEY PERFORMANCE METRICS, NON-GAAP RECONCILIATIONS AND OTHER METRICS (continued)

Period	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019
Reconciliation of Net Loss to Adjusted EBITDA										
Net loss	(\$18,732)	(\$34,694)	(\$16,718)	(\$20,038)	(\$13,436)	(\$9,224)	(\$6,647)	(\$39,102)	(\$35,496)	(\$49,807)
Interest expense, net	6,928	25,153	15,523	12,243	4,983	10,724	9,416	26,459	31,661	37,310
Interest expense, net - affiliates	6,561	11,428	2,665	2,523	2,493	2,354	2,398	2,303	1,822	1,575
Interest income	(618)	(766)	(854)	(959)	(1,192)	(1,418)	(1,763)	(2,077)	(2,494)	(2,967)
Depreciation expense	6,626	7,025	7,612	8,219	8,964	9,386	10,650	10,290	11,012	11,627
Amortization expense	33	33	34	33	33	34	33	33	5	7
EBITDA	798	8,179	8,262	2,021	1,845	11,856	14,087	(2,094)	6,510	(2,255)
Non-cash compensation expense	272	341	532	350	726	824	916	944	387	1,884
ARO accretion expense	141	172	188	203	211	402	278	292	313	327
One-time impairment of IT system	-	-	-	-	-	-	-	-	-	-
Financing deal costs	306	65	(51)	16	1,523	(182)	(3)	564	119	849
Disaster losses and related charges, net	-	-	98	936	316	296	(182)	7,787	-	-
IPO costs	-	-	-	-	-	1	80	482	739	1,307
Loss on extinguishment of long-term debt, net - affiliates	-	-	-	-	-	-	-	-	-	10,645
Unrealized loss on fair value option instruments	-	-	-	-	-	-	-	-	-	534
Legal settlements	-	-	-	575	-	-	150	-	-	293
Adjusted EBITDA	\$1,517	\$8,757	\$9,029	\$4,101	\$4,621	\$13,197	\$15,326	\$7,975	\$8,068	\$13,584
Interest income from customer notes receivable	\$589	\$719	\$796	\$899	\$1,133	\$1,355	\$1,672	\$1,987	\$2,328	\$2,692
Principal proceeds from customer notes receivable, net of related revenue	\$357	\$916	\$495	\$592	\$1,349	\$2,031	\$1,718	\$1,714	\$3,429	\$5,224
Adjusted Operating Cash Flow										
Reconciliation of Net Cash Used in Operating Activities to Adjusted Operating Cash Flow										
Net cash used in operating activities	(\$16,456)	(\$23,574)	(\$4,580)	(\$4,357)	(\$19,220)	(\$1,341)	(\$4,681)	\$13,672	(\$24,430)	(\$31,264)
Principal proceeds from customer notes receivable	442	1,020	615	739	1,526	2,242	1,965	1,982	3,757	5,579
Distributions to redeemable noncontrolling interests	-	-	-	(294)	(339)	(450)	(533)	(695)	(3,652)	(1,491)
Payments to dealers for exclusivity and other bonus arrangements	-	-	-	-	-	-	-	-	2,000	20,000
Inventory purchases	82	59	90	1,671	2,869	2,491	1,927	7,001	4,279	5,238
Adjusted Operating Cash Flow	(\$15,932)	(\$22,495)	(\$3,875)	(\$2,241)	(\$15,164)	\$2,942	(\$1,322)	\$21,960	(\$18,046)	(\$1,938)
Adjusted Operating Expense										
Reconciliation of Total Operating Expense, Net to Adjusted Operating Expense										
Total operating expense, net	\$20,813	\$20,622	\$21,743	\$24,033	\$26,936	\$26,528	\$27,025	\$37,623	\$31,222	\$37,322
Depreciation expense	(6,626)	(7,025)	(7,612)	(8,219)	(8,964)	(9,386)	(10,650)	(10,290)	(11,012)	(11,627)
Amortization expense	(33)	(33)	(34)	(33)	(33)	(34)	(33)	(33)	(5)	(7)
Non-cash compensation expense	(272)	(341)	(532)	(350)	(726)	(824)	(916)	(944)	(387)	(1,884)
ARO accretion expense	(141)	(172)	(188)	(203)	(211)	(402)	(278)	(292)	(313)	(327)
Disaster losses and related charges, net	-	-	(98)	(936)	(316)	(296)	182	(7,787)	-	-
Financing deal costs	(306)	(65)	51	(16)	(1,523)	182	3	(564)	(119)	(849)
IPO costs	-	-	-	-	-	(1)	(80)	(482)	(739)	(1,307)
Legal settlements	-	-	-	(575)	-	-	(150)	-	-	(293)
Adjusted Operating Expense	\$13,435	\$12,986	\$13,330	\$13,701	\$15,163	\$15,767	\$15,103	\$17,231	\$18,647	\$21,028
<i>Adjusted Operating Expense per weighted average customer</i>	<i>\$391</i>	<i>\$348</i>	<i>\$332</i>	<i>\$315</i>	<i>\$317</i>	<i>\$304</i>	<i>\$273</i>	<i>\$293</i>	<i>\$301</i>	<i>\$320</i>
New customers deployed during the period										
Lease	730	1,077	1,459	1,699	1,655	1,653	1,248	1,054	800	815
PPA	2,076	1,508	1,180	1,884	1,675	1,294	1,221	1,185	1,546	2,175
Loan	230	277	266	467	744	909	924	1,024	917	1,005
Other	-	-	-	-	-	-	-	-	13	18
New customers deployed during the period	3,036	2,862	2,905	4,050	4,074	3,856	3,393	3,263	3,276	4,013
<i>Average kW per customer</i>	<i>6.9</i>	<i>7.2</i>	<i>7.5</i>	<i>7.6</i>	<i>7.2</i>	<i>7.4</i>	<i>7.6</i>	<i>7.7</i>	<i>7.8</i>	<i>7.9</i>
Estimated net system value deployed (in millions)	\$18	\$26	\$29	\$35	\$35	\$34	\$28	\$28	\$25	\$32
<i>Estimated net system value deployed per new customer</i>	<i>\$5,929</i>	<i>\$9,085</i>	<i>\$9,983</i>	<i>\$8,642</i>	<i>\$8,591</i>	<i>\$8,817</i>	<i>\$8,252</i>	<i>\$8,581</i>	<i>\$7,639</i>	<i>\$7,974</i>
Estimated net system value deployed, leases and PPAs (in millions)	\$17	\$24	\$28	\$34	\$34	\$32	\$27	\$26	\$24	\$31
<i>Estimated net system value deployed per new customer, leases and PPAs</i>	<i>\$6,058</i>	<i>\$9,284</i>	<i>\$10,610</i>	<i>\$9,489</i>	<i>\$10,210</i>	<i>\$10,859</i>	<i>\$10,936</i>	<i>\$11,612</i>	<i>\$10,230</i>	<i>\$10,368</i>


Key Performance Indicators & Other Metrics and Calculations
(dollars in millions; customer and per customer values in units)
KEY PERFORMANCE INDICATORS

As of	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Cumulative customer count	35,896	38,758	41,663	45,713	49,787	53,643	57,036	60,299	63,575	67,588
Period	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019
Weighted average customer count	34,324	37,260	40,176	43,529	47,787	51,787	55,391	58,760	62,007	65,782
Adjusted EBITDA	\$1.5	\$8.8	\$9.0	\$4.1	\$4.6	\$13.2	\$15.3	\$8.0	\$8.1	\$13.6
Interest income from customer notes receivable	\$0.6	\$0.7	\$0.8	\$0.9	\$1.1	\$1.4	\$1.7	\$2.0	\$2.3	\$2.7
Principal payments on customer notes receivable, less amounts recorded in revenue	\$0.4	\$0.9	\$0.5	\$0.6	\$1.3	\$2.0	\$1.7	\$1.7	\$3.4	\$5.2
Adjusted Operating Cash Flow	(\$15.9)	(\$22.5)	(\$3.9)	(\$2.2)	(\$15.2)	\$2.9	(\$1.3)	\$22.0	(\$18.0)	(\$1.9)
Adjusted Operating Expense	\$13.4	\$13.0	\$13.3	\$13.7	\$15.2	\$15.8	\$15.1	\$17.2	\$18.6	\$21.0
<i>Adjusted Operating Expense per Weighted Average Customer</i>	\$391	\$348	\$332	\$315	\$317	\$304	\$273	\$293	\$301	\$320
<i>Adjusted Operating Expense per Customer, trailing twelve months</i>				\$1,359	\$1,288	\$1,255	\$1,212	\$1,194	\$1,177	\$1,186

OTHER METRICS AND CALCULATIONS

As of	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Estimated Gross Contracted Customer Value	\$903	\$948	\$1,027	\$1,127	\$1,270	\$1,316	\$1,382	\$1,476	\$1,568	\$1,652
<i>Estimated Gross Contracted Customer Value per Customer</i>	\$25,153	\$24,433	\$24,628	\$24,661	\$25,502	\$24,552	\$24,246	\$24,478	\$24,654	\$24,438
Estimated Gross Customer Value	\$1,014	\$1,065	\$1,166	\$1,276	\$1,428	\$1,480	\$1,573	\$1,675	\$1,771	\$1,861
<i>Estimated Gross Customer Value per Customer</i>	\$28,245	\$27,448	\$27,962	\$27,921	\$28,675	\$27,612	\$27,596	\$27,778	\$27,846	\$27,530
Estimated Gross Contracted Customer Value	\$903	\$948	\$1,027	\$1,127	\$1,270	\$1,316	\$1,382	\$1,476	\$1,568	\$1,652
(+) Estimated Gross Renewal Customer Value	111	117	139	149	158	164	191	199	203	209
Estimated Gross Customer Value	1,014	1,065	1,166	1,276	1,428	1,480	1,573	1,675	1,771	1,861
(-) Project Debt, net	(658)	(661)	(696)	(750)	(787)	(821)	(857)	(899)	(1,006)	(1,138)
Estimated Net Earning Assets	356	404	470	527	641	659	716	776	765	723
(-) Corporate Debt, net	-	(79)	(95)	(82)	(78)	(79)	(81)	(61)	(62)	(91)
(+) Cash and restricted cash	38	43	35	82	124	82	100	87	79	100
(+) Construction in process	125	128	148	131	109	104	106	98	114	142
Estimated Net Customer Value	518	496	558	657	797	766	840	900	896	873
(-) Estimated Gross Renewal Customer Value	(111)	(117)	(139)	(149)	(158)	(164)	(191)	(199)	(203)	(209)
<i>Estimated Net Contracted Customer Value</i>	\$407	\$379	\$419	\$508	\$639	\$602	\$649	\$701	\$693	\$664
Cumulative Capital Deployed in Solar energy systems	\$818	\$873	\$936	\$1,032	\$1,115	\$1,187	\$1,254	\$1,311	\$1,374	\$1,459
Cumulative Capital Deployed in Customer notes receivable	33	40	47	58	74	97	120	146	169	193
Exclusivity and other bonus arrangements with dealers, net	-	-	-	-	-	-	-	-	\$2	\$22
Cumulative Capital Deployed	\$852	\$913	\$982	\$1,089	\$1,188	\$1,284	\$1,374	\$1,457	\$1,545	\$1,674
Average Cumulative Capital Deployed, trailing twelve months				\$936	\$1,020	\$1,099	\$1,178	\$1,273	\$1,367	\$1,479
Revenue	\$15.0	\$21.7	\$22.4	\$17.8	\$19.8	\$29.0	\$30.4	\$25.2	\$26.7	\$34.6
Interest income from customer notes receivable	\$0.6	\$0.7	\$0.8	\$0.9	\$1.1	\$1.4	\$1.7	\$2.0	\$2.3	\$2.7
Principal proceeds from customer notes receivable, net of related revenue	\$0.4	\$0.9	\$0.5	\$0.6	\$1.3	\$2.0	\$1.7	\$1.7	\$3.4	\$5.2
Adjusted EBITDA	\$1.5	\$8.8	\$9.0	\$4.1	\$4.6	\$13.2	\$15.3	\$8.0	\$8.1	\$13.6

Note: revenue, interest income from customer notes receivable, and principal proceeds from customer notes receivable, net of related related revenue, all exclude benefits from tax credits, which are in cash flows from financing, "platform services," loan sales and sales of other future cash flow streams.


Key Performance Indicators & Other Metrics and Calculations
(dollars in millions; customer and per customer values in units)
OTHER METRICS AND CALCULATIONS (continued)

Period	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019
New Customers Deployed										
CA	452	447	425	550	662	643	672	618	702	947
NJ	1,249	1,195	1,477	1,406	1,021	1,146	859	735	692	681
CT	28	20	91	258	406	530	563	603	525	740
MA	150	128	101	188	220	392	289	343	221	325
MD	18	33	57	182	103	118	116	160	250	194
NY	10	99	248	498	451	402	317	277	196	214
PA	–	–	–	2	39	74	136	182	183	212
PR	910	742	338	762	931	350	240	128	102	269
RI	–	–	1	6	8	18	62	60	94	112
TX	2	25	58	89	149	76	48	36	78	97
All others	217	173	109	109	84	107	91	121	233	222
New Customers Deployed	3,036	2,862	2,905	4,050	4,074	3,856	3,393	3,263	3,276	4,013
Cumulative MW Deployed										
Lease	83.5	92.1	103.9	117.8	130.0	142.0	151.4	159.3	165.8	172.8
PPA	154.6	164.3	172.2	185.2	196.4	205.9	215.2	224.6	236.3	253.5
Loan	9.3	11.6	13.9	17.8	23.8	30.9	37.8	45.5	52.9	60.6
Other	–	–	–	–	–	–	–	–	–	–
Cumulative MW Deployed	247.4	268.0	290.0	320.8	350.2	378.8	404.4	429.4	455.0	486.9
New MW Deployed										
Lease	6.4	8.5	11.8	13.9	12.2	12.0	9.5	7.9	6.4	7.0
PPA	13.0	9.7	7.9	13.0	11.3	9.5	9.3	9.4	11.7	17.2
Loan	1.6	2.3	2.2	3.9	6.0	7.2	6.9	7.7	7.4	7.7
Other	–	–	–	–	–	–	–	–	–	–
New MW Deployed	21.0	20.5	21.9	30.8	29.5	28.7	25.7	25.0	25.5	31.9
Creation Costs, Total	\$73	\$64	\$76	\$117	\$107	\$99	\$97	\$86	\$91	\$125
Creation Costs, Leases and PPAs	\$63	\$55	\$63	\$96	\$83	\$72	\$67	\$58	\$63	\$91
Estimated net system value deployed, Leases and PPAs	\$17	\$24	\$28	\$34	\$34	\$32	\$27	\$26	\$24	\$31
<i>Estimated net system value deployed per new customer, Leases and PPAs</i>	<i>\$6,058</i>	<i>\$9,284</i>	<i>\$10,610</i>	<i>\$9,489</i>	<i>\$10,210</i>	<i>\$10,859</i>	<i>\$10,936</i>	<i>\$11,612</i>	<i>\$10,230</i>	<i>\$10,368</i>
Estimated net system value deployed	\$18	\$26	\$29	\$35	\$35	\$34	\$28	\$28	\$25	\$32
<i>Estimated net system value deployed per new customer</i>	<i>\$5,929</i>	<i>\$9,085</i>	<i>\$9,983</i>	<i>\$8,642</i>	<i>\$8,591</i>	<i>\$8,817</i>	<i>\$8,252</i>	<i>\$8,581</i>	<i>\$7,639</i>	<i>\$7,974</i>



Definitions

(dollars in millions; customer and per customer values in units)

For more information about metrics and important notes regarding our financial statements please refer to our periodic reports filed with the SEC and our quarterly earnings presentations available on our website at investors.sunnova.com.

Cumulative Customer Count includes each customer that is party to an in-service solar service agreement. For our leases, power purchase agreements ("PPA") and loan agreements, in-service means the related solar energy system and, if applicable, energy storage system, must have met all the requirements to begin operation and be interconnected to the electrical grid. For our Sunnova Protect services, in-service means the customer's system must have met the requirements to have the service activated. We do not include in our number of customers any customer under a lease, PPA or loan agreement for whom we have terminated the contract and removed the solar energy system. We also do not include in our number of customers any customer of our Sunnova Protect services that has been in default under his or her solar service agreement in excess of six months.

Weighted Average Customer Count is calculated based on the number of months a given customer is in-service during a given measurement period. The weighted average customer count reflects the number of customers at the beginning of the period, plus the total number of new customers deployed during the period adjusted by a factor that accounts for the partial period nature of those new customers. For purposes of this calculation, we assume all new customers deployed during a month were added in the middle of that month.

New Customers Deployed includes all systems placed in-service during a given measurement period.

Adjusted EBITDA is calculated as net income (loss) plus net interest expense, depreciation and amortization expense, income tax expense, financing deal costs, disaster losses and related charges, net, legal settlements and excluding the effect of certain non-recurring items we do not consider to be indicative of our ongoing operating performance such as, but not limited to, costs of the initial public offering ("IPO") and other non-cash items such as asset retirement obligation ("ARO") accretion expense and non-cash compensation expense.

Interest Income and Principal Payments on Customer Notes Receivable, less Amounts Recorded in Revenue are considered key performance metrics because under our loan agreements, the customer obtains financing for the purchase of a solar energy system from us, and we agree to operate and maintain the solar energy system throughout the duration of the agreement. Pursuant to the terms of the loan agreement, the customer makes scheduled principal and interest payments to us and has the option to prepay principal at any time in part or in full. Whereas we typically recognize payments from customers under our leases and PPAs as revenue, we recognize payments received from customers under our loan agreements (i) as revenue, to the extent attributable to payments for operations and maintenance services provided by us; (ii) as interest income, to the extent attributable to earned interest on the contract that financed the customer's purchase of the solar energy system; and (iii) as a reduction of a note receivable on the balance sheet, to the extent attributable to a return of principal (whether scheduled or prepaid) on the contract that financed the customer's purchase of the solar energy system.

Adjusted Operating Cash Flow is calculated as net cash used in operating activities plus principal proceeds from customer notes receivable and distributions to redeemable noncontrolling interests less payments to dealers for exclusivity and other bonus arrangements and inventory purchases.

Adjusted Operating Expense is calculated as total operating expense less depreciation and amortization expense, non-cash compensation expense, ARO accretion expense, financing deal costs, disaster losses and related charges, net, IPO costs and legal settlements.

Estimated Gross Contracted Customer Value represents the sum of the present value of the remaining estimated future net cash flows we expect to receive from existing customers during the initial contract term of our leases and PPAs, which are typically 25 years in length, plus the present value of future net cash flows we expect to receive from the sale of related solar renewable energy certificates ("SREC"), either under existing contracts or in future sales, plus the carrying value of outstanding customer loans on our balance sheet. From these aggregate estimated initial cash flows, we subtract the present value of estimated net cash distributions to redeemable noncontrolling interests and estimated operating, maintenance and administrative expenses associated with the solar service agreements. These estimated future cash flows reflect the projected monthly customer payments over the life of our solar service agreements and depend on various factors including but not limited to solar service agreement type, contracted rates, expected sun hours and the projected production capacity of the solar equipment installed. For the purpose of calculating this metric, we discount all future cash flows at 6%. The anticipated operating, maintenance and administrative expenses included in the calculation of estimated gross contracted customer value include, among other things, expenses related to accounting, reporting, audit, insurance, maintenance and repairs. In the aggregate, we estimate these expenses are \$20 per kilowatt per year initially, with 2% annual increases for inflation. We do not include maintenance and repair costs for inverters and similar equipment as those are largely covered by the applicable product and dealer warranties for the life of the product, but we do include additional cost for energy storage systems, which are only covered by a 10-year warranty.

Estimated Gross Renewal Customer Value represents the sum of the present value of future net cash flows we would receive from customers during two five-year renewal terms of our leases and PPAs, plus the present value of future net cash flows we expect to receive from the sale of related SRECs, either under existing contracts or in future sales. From these aggregate estimated renewal cash flows we subtract the present value of estimated net cash distributions to redeemable noncontrolling interests and the estimated operating, maintenance and administrative expenses associated with the solar service agreements. For the purpose of calculating this metric, we discount all future cash flows at 6%. To calculate estimated renewal gross customer value, we use the established industry convention, which assumes 100% of solar leases and PPAs are renewed, due to the expected useful life of the system and costs to the customer associated with an election to purchase or remove the equipment. We further assume that these contracts are renewed at 90% of the contractual price in effect at expiration of the term of the solar service agreement. Because the customer has two renewal options of five years each, for the second renewal period we assume a contractual price of 90% of the price in the first renewal period. Our loan agreements do not contain a renewal feature, and therefore are not included in estimated renewal gross customer value.

Estimated Net Contracted Customer Value represents gross total contracted value, less debt and tax equity, plus cash and restricted cash and construction in progress.

Estimated Net System Value Deployed represents the sum of estimated gross customer value, plus expected or received utility and up-front governmental incentives, to the extent not included in such estimated gross customer value, plus expected or received contributions from tax equity fund investors for redeemable noncontrolling interests in tax equity vehicles, as each relates to new customers placed in service within a specified period. From these aggregate estimated values, we subtract payments made or expected to be made to our dealers associated with customer solar energy systems.

Estimated Net System Value Deployed, Leases and PPAs represents the Estimated Net System Value Deployed attributable to our lease and PPA contracts and excludes amounts attributable to our loan contracts.

Creation Costs represents the property and equipment attributable to solar energy systems over the period plus all cash paid for customer notes receivable during the period plus the average amount recognized in each quarter for the trailing twelve months of payments to dealers for exclusivity and other bonus arrangements.

Creation Costs, Leases and PPAs represents Creation Costs attributable to our lease and PPA contracts and excludes amounts attributable to our loan contracts.

Cumulative Capital Deployed represents the property and equipment attributable to solar energy systems plus net customer notes receivable, less deferred revenue in other current liabilities and other long-term liabilities, plus payments to dealers for exclusivity and other bonus arrangements.