

## Risk Factors Comparison 2025-03-03 to 2024-02-22 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below together with all of the other information included in this Annual Report on Form 10-K, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our annual audited consolidated financial statements (~~"consolidated financial statements"~~) and related notes, before deciding to invest in our common stock. We may experience additional risks and uncertainties not currently known to us; or, as a result of developments occurring in the future, conditions that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, cash flows and results of operations. If any of the risks actually occur, they may materially and adversely affect our business, financial condition, cash flows and results of operations. In this event, the trading price of our common stock could decline and you could lose all or part of your investment in us.

**Risks Related to Our Liquidity and Financing Activities** We need to **raise** ~~obtain~~ substantial **additional financing arrangements to provide working capital in the future and growth capital**. If **financing** ~~sufficient capital~~ is not available to us on acceptable terms when needed, our ability to continue to ~~fund our operations~~, grow our business and ~~satisfy our obligations~~ would be materially adversely impacted. Distributed solar power is a capital-intensive business that relies heavily on the availability of debt and equity financing sources to fund **growth solar energy system purchase, design, engineering** and ongoing operations **other capital expenditures**. Our future success depends in large part on our ability to raise capital from third-party investors and commercial sources, such as banks and other lenders, on ~~acceptable~~ **competitive** terms to help finance the deployment of our solar energy systems. We seek to minimize our cost of capital in order to improve profitability and maintain the price competitiveness **of the electricity produced by, the payments for and the cost** of our solar energy systems. We rely on access to capital, including through tax equity financing and indebtedness in the form of debt facilities, asset-backed securities and loan-backed securities, to cover the costs related to bringing our solar energy systems and energy storage systems in service, although our customers ultimately bear responsibility for those costs pursuant to our solar service agreements. To meet the capital ~~and liquidity~~ needs of our **growing** business, we will need to obtain additional debt or equity financing from current and new investors. ~~We have limited unencumbered cash flows with which to operate our business or serve as collateral and we may have difficulty in accessing financing on a timely basis or at all. The contract terms in certain 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 a material adverse change occurs arising from a going concern note or exception in our consolidated financial statements. 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. Any delays in accessing financing could have an adverse effect on our ability to pay our operational expenses, make capital expenditures and fund other general corporate purposes. Further, our flexibility in planning for and reacting to changes in our business may be limited and our vulnerability to adverse changes in general economic, industry, regulatory and competitive conditions may be increased.~~ If any of our current debt or equity investors decide not to invest in us in the future for any reason, or decide to invest at levels inadequate to support our anticipated needs or materially change the terms under which they are willing to provide future financing, we will need to identify new investors and financial institutions to provide financing and negotiate new financing terms. In addition, our ability to obtain additional financing through the asset-backed securities market, loan-backed securities market or other **secured** debt markets is subject to our having sufficient assets eligible for securitization as well as our ability to obtain appropriate credit ratings. If we are unable to raise additional capital in a timely manner, our ~~credit ratings are downgraded or we are unable to obtain appropriate credit ratings on new debt~~, our ability to meet our capital needs and fund future growth and profitability may be limited. Delays in obtaining financing could ~~adversely affect our liquidity~~, cause delays in expansion in existing markets or entering into new markets and hiring additional personnel. Any future delays in capital raising could similarly cause us to delay deployment of a substantial number of solar energy systems for which we have signed solar service agreements with customers. Our future ability to obtain additional financing depends on **banks' and other financial financing sources'** counterparties and credit rating agencies ~~having~~ continued confidence in our business model and the renewable energy industry as a whole, as well as **It could also be impacted by** the liquidity needs and credit ratings of such financing sources themselves. Additionally, ~~we currently expect~~ **it could be impacted by our failure to satisfy certain conditions to receive** reduce the pace at which we seek additional guarantees of certain of our indebtedness from the DOE ~~due to a shift in customer demand from solar loans to leases and PPAs as well as technical reporting burdens on our dealers. Despite the reduction in pace of seeking additional guarantees, we must continue to comply with certain additional rules and requirements imposed by the DOE in connection with its existing loan guarantees and any material noncompliance may result in penalties that limit our ability to access capital.~~ We face intense competition from a variety of other companies, technologies and financing structures for such limited investment capital. 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 to us on terms less favorable than those received by our competitors. For example, if we experience higher customer default rates than we currently experience, it could be more difficult or costly to attract future financing. Any inability to secure financing could lead us to cancel planned installations, impair our ability to accept new customers or increase our borrowing costs, any of which could have a material adverse effect on our business, financial condition and results of operations. ~~If~~

Further, because we are unable to continue to arrange new or alternative methods of financing on favorable terms, comply with certain additional rules and requirements imposed by the DOE in connection with its loan guarantees, any material noncompliance may result in penalties that limit our ability to access capital of operations and prospects could be materially and adversely affected. We enter into securitization structures, warehouse financings and other debt financings that may limit our ability to access the cash of our subsidiaries and include cash trap and acceleration events that, if triggered, could adversely impact our financial condition. Since April 2017 through December 31, 2024, we have pooled and transferred eligible solar energy systems, energy storage systems and the related asset receivables into 26 special purpose entities for securitizations, which sold solar asset-backed notes and solar loan-backed notes to institutional investors, the net proceeds of which were distributed to us. As of December 31, 2024, we currently have outstanding 34 tax equity funds and 5 warehouse credit facilities at special purpose entities. We intend to monetize additional solar energy systems, energy storage systems and other sustainable home products in the future through contributions to new special purpose entities for cash. Our securitizations, warehouses and tax equity financings typically require the cash flows from related customer contracts be paid into a secured collection account and only be available for general use after amounts on deposit in such accounts are first applied to satisfy the current obligations of the applicable special purpose entity. The encumbered cash in the collection accounts is generally not available to us until after its distribution by the special purpose entity or payment under a management or servicing arrangement. Certain of our financings by their terms require all excess cash flows, if any, to repay all outstanding obligations in full (including, in the case of the Solstice loan facility (described below), any minimum return on invested capital) prior to distributing any cash flows from the applicable special purpose entity to us, including our EZOP revolving credit facility (as amended in January 2025) and Solstice loan facility, for which the residual equity interests in all our securitizations (other than those of the Hestia and RAYS programs), including those that own the majority of our funded tax equity vehicles, will be pledged as collateral. There is a risk the institutional investors that have purchased the notes, loans or equity interests issued by these special purpose entities will be unwilling to make further investments at attractive prices or at all, including through extensions, increases or waivers of conditions precedent to funding commitments. We may be required to seek a waiver under certain of our tax equity agreements or other financing arrangements as a result of a going concern exception in our consolidated financial statements and potential effects thereof. Although the creditors of these special purpose entities typically have no recourse to our other assets except as expressly set forth in the terms of the notes related securities, the special purpose entities are typically required to maintain some or all of the following: a liquidity reserve account, a reserve account for equipment replacements, as well as, in certain cases, reserve accounts to finance purchase option / withdrawal right exercises, storage system replacement or payment of liquidated damages for the benefit of the lenders under the applicable series of notes, each of which are funded from initial deposits or cash flows to the levels specified therein. The restricted cash in these reserve accounts is not available to us for general purposes. The securitization structures, warehouse financings and other debt financings often include certain other features designed to protect investors. The primary feature for our debt financings relates to the availability and adequacy of cash flows in the pool of assets to meet contractual requirements, the insufficiency of which triggers an early repayment of the indebtedness. We refer to this as "early amortization", which may be based on, among other things, a debt service coverage ratio falling or remaining below certain levels or exceeding certain allowable thresholds for customer defaults or delinquencies. In the event of an early amortization, the applicable borrower or notes issuer would be required to repay the affected indebtedness using available collections received from the asset pool. However, the period of ultimate payment would be determined based on the amount and timing of collections received and, in limited circumstances, early amortization may be cured prior to full repayment. An early amortization event would impair our liquidity and may require us to utilize other available contingent liquidity or rely on alternative funding sources, which may not be available at the time. Certain of the securitizations, warehouse financings and other debt financings also contain a "cash trap" feature, which requires excess cash flow to be held in an account based on, among other things, a debt service coverage ratio or required working capital amount falling or remaining below certain levels. If the cash trap conditions are not cured within a specified period, then the cash in the cash trap account must be applied to repay the indebtedness. If the cash trap conditions are timely cured, the cash is either released back to the borrower or used to repay the indebtedness at the borrower's option. The indentures of our securitizations also typically contain customary events of default for solar securitizations that may entitle the noteholders to take various actions, including the acceleration of amounts due and foreclosure on the issuer applicable subsidiary's assets. Any significant encumbrances on our cash flow, payments we may be required to make or foreclosure sales as a result of these arrangements could adversely affect our financial condition. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Financing Arrangements". We have Servicing our existing debt requires a significant amount of cash debt outstanding and debt service requirements. We may not have sufficient cash flow from our business or obtain access to external financing to timely pay our interest and principal payments or other obligations and may be forced to take other actions to satisfy our payment obligations. As of December 31, 2024-2023, our total indebtedness was approximately \$ 87.5 billion and the available borrowing capacity under our credit facilities was \$ 623-733.8-0 million, subject to the satisfaction or waiver of certain funding conditions. 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, to some extent, subject to economic, financial, competitive and other factors beyond our control. Our This level of debt could have material consequences on our future operations, including: • making it more difficult for us to meet our payment and other obligations under our outstanding debt to satisfy our obligations with respect to existing and future indebtedness, and any failure to comply with the obligations under any of the agreements governing our indebtedness could result in an event of default under such agreements; • reducing the availability of our cash flows to fund working capital, capital expenditures, system origination, acquisitions and other general corporate purposes (including as a result of any cash trap), and limiting our ability to obtain additional financing for these purposes; • resulting in an event of default if we fail to comply with the financial and other restrictive covenants and agreements

contained in our debt agreements, which could result in all or a significant portion of our debt becoming immediately due and payable; • subjecting us to the risk of increased sensitivity to interest rate increases on our indebtedness with variable interest rates, including borrowings under our credit agreements; • limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business **may not**, liquidity, the industry in which we operate, regulation and tax laws and the general economy; and • placing us at a competitive disadvantage compared to our competitors that have less debt or lower leverage ratios. We cannot assure you our business will generate cash flow from operations, **sufficient to service** or our future borrowings or drawings will be available to us under our existing or any future debt or tax equity financing facilities or otherwise, in an **and** amount sufficient to enable us to meet our payment obligations under our debt and to fund other liquidity needs. For example, the EZOP revolving credit facility was recently amended to add a requirement that we take **make** out 95% of the Eligible Solar Loans under and as defined by our EZOP revolving credit facility by March 2025, requiring repayment of substantially all of the borrowings under that facility (and a failure to complete such takeout transactions by such deadline would constitute an event of default under the EZOP revolving credit facility), and we do not have the resources to repurchase the Eligible Solar Loans ourselves or repay the related principal amount. Although we seek to satisfy this obligation through one or more take-outs of Eligible Solar Loans via separate financings, loan sales, a refinancing of the facility, an amendment and extension of the facility, another liability management transaction or a combination of the foregoing, there can be no assurance about our ability to do so. In addition, we currently do not have the resources to settle the Convertible Notes in cash when they become due in December 2026 and February 2028 or to repurchase the Convertible Notes if a fundamental change under the Convertible Notes indenture were to occur sooner than the maturity dates or to repay the Senior Notes at maturity when they become due in September 2026 and October 2028. See "— We currently do not have the resources to settle conversions of the Convertible Notes in cash when they become due in December 2026 and February 2028 or to repurchase the Convertible Notes upon a fundamental change or to repay the Senior Notes when they become due in September 2026 and October 2028, and we may not have the ability to raise the funds necessary **capital expenditures** to do so" **operate our business**. If we are unable to generate **sufficient such** cash flows **flow** to timely pay our interest and principal obligations, we may be required to adopt one or more alternatives, such as slowing or ceasing the origination of new customer agreements, selling **material** assets, restructuring debt or obtaining additional debt and equity capital on terms that may be onerous or highly dilutive. **There can be no assurance we will be successful in any such efforts.** Our securitizations and warehouse financings are structured so cash flows generated by the pool of solar energy systems, energy storage systems, other sustainable home products and related customer agreements deposited in the related collection account are initially used to repay outstanding principal amounts and other obligations based on the priority of payments in the agreement. However, should these cash flows decrease below applicable thresholds or other triggering events occur, all excess cash flows from such asset pool must be applied to pay down the related indebtedness, which would reduce the cash available to otherwise fund our business. 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 could have a material adverse effect on our business. Furthermore, we and our subsidiaries **intend expect** to incur additional debt in the future, subject to the restrictions contained in our debt instruments. Increases in our existing debt obligations would further heighten the debt related risk discussed above. In addition, we may not be able to enter into new debt instruments on acceptable terms or at all. If we were unable to satisfy financial covenants, **funding conditions** and other terms under existing or new **financing** 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. **To the extent Restrictive covenants in certain of our debt agreements could limit our growth, profitability and our ability to finance our operations, fund our capital needs, respond to changing conditions and engage in there— other business activities that may be in our best interests. Our debt agreements impose operating and financial restrictions on us. These restrictions limit our ability and that of our subsidiaries to, among other things: • incur additional indebtedness; • make investments or loans; • create liens; • consummate mergers and similar fundamental changes; • make restricted payments; • make investments in unrestricted subsidiaries; • enter into transactions with affiliates; and • use the proceeds of asset sales. We may be prevented from taking advantage of business opportunities that are arise because of the limitations imposed on us by the restrictive covenants under certain of our debt agreements. The restrictions contained in the covenants could: • limit our ability to plan for or react to market conditions, to meet capital needs or otherwise to restrict our activities or business plan; and • adversely affect our ability to finance our operations, enter into acquisitions or divestitures to engage in other business activities that would be in our interest. A breach of any defaults or breaches of these covenants in our— or our inability to comply with the required financing financial ratios or financial condition tests could result in a default under our debt agreements that, we if not cured or waived, could result in acceleration of all indebtedness outstanding thereunder and cross- default rights under our other debt. In addition, in the event of an event of default under one of the credit facilities, the affected lenders could foreclose on the collateral securing such credit facility and require repayment of all borrowings outstanding thereunder. If the amounts outstanding under the credit facilities or any of our other indebtedness were to be accelerated, our assets may not be able sufficient to cure such defaults repay in full the amounts owed to the lenders or to or our breaches other debt holders. Volatility and continued increases in interest rates would raise or our cost of capital and may adversely impact our business. Due to recent increases in inflation, the U.S. Federal Reserve has raised its benchmark interest rates. Further increases in the federal benchmark rate could result in an increase in market interest rates, which may increase our interest expense under our variable- rate borrowings and the costs of refinancing existing indebtedness or obtaining new debt. For example, borrowings under our existing warehouse credit facilities accrue interest based on the Secured Overnight Financing Rate (" SOFR") as a benchmark for establishing the rate of interest. Consequently, rising interest**

rates or continued higher interest rates will increase our cost of capital and may decrease the amount of capital available to us to finance deployment of new solar energy systems, energy storage systems and other sustainable home products. Our future success depends in part on our ability to raise capital from investors and obtain waivers secured lending to help finance the deployment of our customer agreements. As a result, rising interest rates may have an adverse impact on our ability to offer attractive pricing on our customer agreements to our customers. If in the future we have a need for significant borrowings and interest rates increase or continue at high interest rates, that may increase the cost of the systems we purchase, which either would make those systems more expensive for customers, which is likely to reduce demand, or would lower our operating margins, or both. The majority of our cash flows to date have been from our solar service agreements monetized under various tax equity fund structures and secured lending arrangements. One of the components of this monetization is the present value of the payment streams from customers who enter into these long-term solar service 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 type of monetization. Any measures we could take to avoid mitigate the impact of rising interest rates on our ability to secure third-party financing could ultimately have an adverse impact on the value proposition we offer our customers event of default under such debt agreements. An event of default under any of our financing agreements could our profitability. We may not have a material adverse effect on our liquidity, financial condition and results of operations. If our existing or future secured indebtedness is either accelerated or becomes subject to a bankruptcy, liquidation or reorganization, our assets or our subsidiaries' assets may be used to satisfy obligations with respect to the indebtedness secured thereby before any payment could be made on ability to raise the funds necessary to settle conversions of the Convertible Notes or Senior Notes that are not similarly secured. We currently do not have the resources to settle conversions of the Convertible Notes in cash when they become due in December 2026 and February 2028 or to repurchase the Convertible Notes upon a fundamental change, and or our future debt to repay the Senior Notes when they become due in September 2026 and October 2028, and we may not have the contain limitations on our ability to pay cash upon conversion or repurchase raise the funds necessary to do so. Holders of the Convertible Notes, Holders of the 0.25 % convertible senior notes and 2.625 % convertible senior notes (the "Convertible Notes") will have the right to require us to repurchase all or a portion of their Convertible Notes upon the occurrence of a fundamental change under the indenture, which includes governing the Convertible Notes. A fundamental change under the Convertible Notes indenture is triggered by the occurrence of certain events (such as a change of control, certain sales of all or substantially all of our consolidated assets (other than to wholly owned subsidiaries) or our common stock ceasing to be listed or quoted on certain national stock exchanges), before the maturity date and requires that we repurchase the Convertible Notes at a fundamental change repurchase price equal to 100 % of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid special interest, if any. In addition, upon conversion of the Convertible 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 Convertible Notes being converted. We currently do not have the resources enough available cash or be able to settle conversions of obtain financing at the time we are required to make repurchases of Convertible Notes in surrendered therefor or pay cash when they come due in December 2026 and February 2028, respectively, or for to repurchase the Convertible Notes if being converted. In addition, our ability to repurchase the Convertible Notes or to pay cash upon conversions of the Convertible Notes may be limited by law, by regulatory authority or by agreements governing our indebtedness at the time. Our failure to repurchase Convertible Notes at a time when the repurchase is required by the indenture governing such Convertible Notes or to pay any cash payable on future conversions of the Convertible 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 Convertible Notes or make cash payments upon conversions thereof. We are subject to counterparty credit risk with respect to the capped call transactions. In connection with the pricing of the Convertible Notes, we entered into privately negotiated 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 or otherwise fail to perform their obligations 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 our transactions with that counterparty. Our exposure will depend on many factors but, generally, our exposure will increase if the market price or the volatility of our common stock increases. In addition, upon a default or other failure to perform by an option counterparty, we may suffer more dilution than we currently anticipate with respect to our common stock. We can provide no assurance as to the financial stability or viability of any of the option counterparties. 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 we may be required to make could adversely affect our liquidity or financial condition. **Risks Related to Business** Historically, we have incurred operating and net losses and we may be unable to achieve **we have identified conditions or events that raise substantial doubt about our ability to continue as a going concern**. We incurred operating losses of \$ 239.5 million, \$ 243.4 million, and \$ 81.5 million and net losses of \$ 447.8 million, \$ 502.4 million, and \$ 130.3 million and \$ 147.5 million for the years ended December 31, 2024, 2023, and 2022 and 2021, respectively. These historical operating and net losses were due to a number of factors, including increased expenses to fund our growth and related financing needs. We expect to incur significant expenses as we finance the expansion of our operations and implement additional internal systems and infrastructure to support our growth and operations. We do not know whether our revenue will grow rapidly enough to absorb these costs. Our ability to achieve profitability depends on a number of factors, including: • growing our customer base and originating new customer agreements on economic terms; • maintaining or lowering our cost of capital; • reducing operating costs by optimizing our operations and maintenance processes; • maximizing the benefits of our dealer network; • finding additional tax equity investors and other sources of institutional capital; • **ensuring customer satisfaction by maintaining high levels of quality and performance**; and • the continued availability of various governmental incentives for the renewable energy industry. Even if we do achieve profitability, we may be unable to sustain or increase our profitability in the future. **The substantial doubt about our ability to continue as a going concern may adversely impact the price of our common stock, our reputation and relationship with investors, employees and third parties with whom we do business, our ability to raise additional capital or refinance existing debt, our ability to comply with certain covenants under our debt agreements or meet other contractual obligations and our ability to achieve our business objectives, which could materially and adversely impact our business, financial condition and results of operations**. Our growth and operations strategy depends on the continued origination of customer agreements by us and our dealers. Our growth and operations strategy depends on the continued origination of customer agreements by us and our dealers. We may be unable to originate additional customer agreements and related systems in the numbers or at the pace we currently expect for a variety of reasons, including, among other things, the following: • demand for solar energy systems or energy storage systems failing to develop sufficiently or taking longer than expected to develop; • solar energy technology being available at economically attractive prices as a result of factors outside of our control, including utility prices not rising as quickly as anticipated; • issues related to identifying, engaging, contracting, compensating and maintaining relationships with dealers and the negotiation of dealer agreements; • issues related to financing, construction, permitting, the environment, governmental approvals and the negotiation of customer agreements; • a reduction or elimination of government incentives or adverse changes in policy and laws for the development or use of solar energy, including net metering, SRECs and tax credits; • other government or regulatory actions that could impact our business model; • negative developments in public perception of the solar energy industry; and • competition from other solar companies and energy technologies, including the emergence of alternative renewable energy technologies. If the challenges of originating customer agreements and related systems increase, our pool of available opportunities may be limited, which could have a material adverse effect on our business, financial condition, cash flows and results of operations. If we fail to manage our operations and 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 measured by our number of customers and we intend to continue our efforts to expand our business within existing and new markets. This growth has placed, and any future growth may place, a strain on our management, operational and financial infrastructure. Our growth requires our management to devote a significant amount of time and effort to maintain and expand our relationships with customers, **suppliers**, dealers and other third parties, attract new customers and dealers, arrange financing for our growth and manage our expansion into additional markets. In addition, our current and planned operations, personnel, **information software and business** technology and other systems and procedures might be inadequate to support our future growth and may require us to make additional unanticipated investments in our infrastructure. 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 operations and growth, we may be unable to meet our expectations regarding growth, opportunity and financial targets, take advantage of market opportunities, execute our business strategies, meet our tax equity financing commitments or respond to competitive pressures. This could also result in declines in quality or customer satisfaction, increased costs, difficulties in introducing new offerings or other operational difficulties. Any failure to effectively manage our operations and growth could adversely impact our reputation, business, financial condition, cash flows and results of operations. Our growth and operations are dependent on our dealer network and our failure to retain or replace existing dealers or to grow our dealer network could adversely impact our business. Our dealer network is an integral component of our business strategy and serves as the means by which we are able to originate customer agreements and related systems in existing and prospective markets. Poor performance by our dealers in originating customer agreements could have a material adverse effect on our business, financial condition and results of operations. We have in the past had disputes and litigation with certain of our dealers over their performance, and, in the future, may have disputes with dealer labor, including with respect to prevailing wage and fringe rate regulations. Misconduct, noncompliance with applicable laws and regulations, fraud or other improper activities by our or our dealers'

employees, affiliates or independent contractors could have a significant negative impact on our and / or their business, investments and results of operations. Such misconduct could include failures to comply with federal employment laws and regulations, consumer protection laws, laws and regulations regarding the pricing of labor provided by dealers and other project costs, and various other applicable laws or regulations applicable to us or our affiliates, including those arising as a result of our participation in the DOE loan guarantee program and ~~current and future~~ DOE loan guarantees to our affiliates. Although we require applicable dealers to comply with such laws and regulations and provide training and processes to help them do so, neither we nor our affiliates control the dealers, nor can we guarantee their compliance with all such laws and regulations. Failure to comply with applicable laws or regulations or acts of fraud or misconduct by dealers or our employees or affiliates could subject us and our affiliates to fines and penalties, and suspension or debarment from future contracting with government agencies. Additionally, changes in laws, regulations or prevailing wages, or a failure to comply with any of the foregoing, could have a significant negative impact on **our and / or** ~~their business reputation~~, investments and results of operations ~~As we grow, particularly in new jurisdictions, we will need to expand our dealer network~~. We are subject to significant competition for the recruitment and retention of dealers from our competitors and we may not be able to recruit new or replacement dealers in the future. We compete for our dealers with other providers primarily based on the amount and timing of payments for originating customer agreements, financial ability and our suite of technology tools. Most of our dealers are not restricted in their ability to work with our competitors and are not obligated to continue working with us. In the past, some of our dealers have chosen to work with competitors of ours or terminated their relationships with us and dealers may reduce or terminate their work with us in the future. The departure of a significant number of our dealers for any reason, or the failure to replace departing dealers in the event of such departures, could reduce our potential origination opportunities and could have a material adverse effect on our business, financial condition and results of operations. As we develop and expand our Sunnova Protect services, dealers may view us as a competitor and choose to end their relationship with us. Additionally, dependence on any one dealer or small group of dealers further concentrates our exposure to risks related to termination of the dealer arrangement, poor service provided by such dealer, the deterioration in financial condition of the dealer and other risks inherent in such a relationship. For the years ended December 31, **2024, 2023, and 2022** ~~and 2021~~, Trinity accounted for approximately **22 %, 10 %, and 19 %** ~~and 15 %~~ of our net originations, respectively. Although we **previously** entered into a sixty- six month exclusivity agreement with Trinity in October 2022, ~~pursuant to which this exclusivity was terminated in January 2025 and~~ Trinity **is no longer restricted in** ~~may only originate solar service agreements for us, there- their ability are various exceptions to this obligation work with our competitors~~. For a discussion of exclusivity arrangements with certain of our dealers, see " Business — Our Relationships with Our Dealers **and Contractors** ". If we or our dealers fail to hire and retain a sufficient number of employees and service providers in key functions, our growth, profitability and our ability to timely complete customer projects and successfully manage customer accounts would be constrained. To support our growth and profitability, we and our dealers need to hire, train, deploy, manage and retain a substantial number of skilled employees, engineers, installers, electricians and sales and project finance specialists. Competition for qualified personnel in our industry has increased substantially, particularly for skilled personnel involved in the installation of solar energy systems and energy storage systems. We and our dealers also compete with the homebuilding and construction industries for skilled labor. These industries are cyclical and when participants in these industries seek to hire additional workers, it puts upward pressure on our and our dealers' labor costs. Companies with whom our dealers compete to hire installers may offer compensation or incentive plans that certain installers may view as more favorable. As a result, our dealers may be unable to attract or retain qualified and skilled installation personnel. The further unionization of our industry' s labor force or the homebuilding and construction industries' labor forces could also increase our dealers' labor costs. Shortages of skilled labor could significantly delay a project or otherwise increase our dealers' costs. Further, we need to continue to increase the training of our customer service team to provide high- end account management and service to home and business owners before, during and following the point of installation of our solar energy systems and energy storage 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 we have established. If we are unable to hire, develop and retain talented customer service or other personnel, we may not be able to grow our business. We do not directly control certain costs related to our business, which could put us at a disadvantage relative to companies who have a vertically ~~-~~ integrated business model. We do not have direct control over the costs our suppliers charge for the components of our solar energy systems and energy storage systems or the costs to our dealers of installing and marketing such products. This may lead us to charge higher prices for our solar energy systems and energy storage systems than our competitors with a vertically ~~-~~ integrated business model, causing us to be unable to maintain or increase market share .Since the price at which we originate product offerings from our dealers is generated in U.S.dollars,we are mostly insulated from currency fluctuations.However,since suppliers of our dealers often incur a significant amount of their costs by purchasing raw materials and generating operating expenses in foreign currencies,if the value of the U.S.dollar depreciates significantly or for a prolonged period of time against these other currencies,this may cause those suppliers to raise the prices they charge us and our dealers,which in turn could harm our business and results of operations.Although the value of the U.S.dollar has been high relative to other currencies in recent periods,there is no guarantee this trend will continue . We may be unsuccessful in introducing new service and product offerings, including our distributed energy storage services and energy storage management systems. We intend to introduce new offerings of services and products to both new and existing customers in the future, including home automation products and additional home technology solutions. We may be unsuccessful in significantly broadening our customer base through the addition of these services and products within our current markets or in new markets we may enter. Additionally, we may not be successful in generating substantial revenue from any additional services and products we may introduce in the future and may decline to initiate new product and service offerings. Our business is concentrated in certain markets, putting us at risk of region- specific disruptions. As of December 31, ~~2023~~ **2024**,

approximately 28-29%, 16-17% and 10% of our customers were located in California, Puerto Rico and New Jersey, respectively. In addition, we expect much of our near-term future growth and profitability to occur in these same markets, further concentrating our customer base and operational infrastructure. Accordingly, our business and results of operations are particularly susceptible to adverse economic, regulatory, political, weather and other conditions in such markets and in other markets that may become similarly concentrated. See " — Certain of our solar energy systems are located in, and we conduct business in, Puerto Rico. **The ongoing Weakness in the fiscal health of the government and PREPA bankruptcy**, the damage caused by hurricanes, ~~and~~ a series of earthquakes that affected the island in December 2019 and early 2020 ~~and potential tax increases that may increase our cost of conducting business in Puerto Rico~~, create **periods of** uncertainty that may adversely impact **our operations** us. In addition, we are subject to administrative proceedings instituted by the PREB- " and " General Risk Factors — We are not able to insure against all potential risks and we may become subject to higher insurance premiums". Any of these conditions, even if only in one such market, could have a material adverse effect on our business, financial condition and results of operations. In addition, all of our current solar energy systems are located in the U. S. and its territories, which makes us particularly susceptible to adverse changes in U. S. tax laws, **including the expiration or reduction of rebates, tax credits and other incentives**. Our corporate and operational headquarters is located in Houston, Texas, an area that has a heightened risk of hurricanes and other natural disasters. 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 a hurricane, 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 dealers' businesses or the economy as a whole. To the extent 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. Certain of our solar energy systems are located in, and we conduct business in, Puerto Rico. **The ongoing Weakness in the fiscal health of the government and PREPA bankruptcy**, the damage caused by hurricanes, ~~and~~ a series of earthquakes that affected the island in December 2019 and early 2020 ~~and potential tax increases that may increase our cost of conducting business in Puerto Rico~~, create **periods of** uncertainty that may adversely impact **our operations** us. In addition, we are subject to administrative proceedings instituted by the PREB- Puerto Rico is a significant market for our business, representing **17% and** 16% of our customers as of December 31, **2024 and** 2023 ~~and 2022~~, respectively, and has suffered from significant economic difficulties in recent years. As a result of the continued weakness of the Puerto Rico economy, liquidity constraints and a lack of market access, the credit ratings of the Puerto Rico government's general obligation bonds and guaranteed bonds, as well as the ratings of most of the Puerto Rico public corporations, including PREPA, are non-investment grade by Moody's, S & P and Fitch Ratings. Puerto Rico has also enacted certain measures that could increase the cost of solar energy systems. In 2015, the Puerto Rico government increased the sales and use tax from 7% to 11.5%. Although leases and materials used in solar energy systems are currently exempt from such sales and use tax pursuant to Act No. 83-2010, the Green Energy Incentives Act, the increase in sales tax is applicable to repair and maintenance services. Additionally, Sunnova qualifies for a 4% corporate income tax rate under the Green Energy Incentives Act. Should our current tax incentives expire or additional taxes be imposed, the tax increase may impose greater costs on our future and current customers, which may hinder our future origination efforts and adversely impact our business, financial condition, results of operations and future growth and profitability. Future changes in Puerto Rico tax law could affect our tax position and adversely impact our business. Although Puerto Rico had already suffered from economic difficulties in recent years, **multiple Hurricane hurricanes, including Ernesto, Fiona, in 2022 and Hurricanes Irma and Maria in 2017**, catastrophic weather events whose effects have been long enduring, earthquakes in the southwest of the island beginning in 2019 and continuing through 2020 and the COVID-19 pandemic have caused significant additional disruption to the island's electric grid and economic activity. The continued weakness of the Puerto Rico economy has strained the fiscal health of the government, which may create uncertainty that may adversely impact us. Furthermore, the future financial condition and prospects of PREPA are uncertain, which could negatively impact the availability and the reliability of Puerto Rico's electrical grid and adversely impact our operations on the island. In 2018, the government of Puerto Rico enacted legislation that set in motion the privatization of PREPA. Said legislation governs the establishment of public-private partnerships ("P3") with respect to the concession for the distribution and transmission assets, services and facilities of PREPA, including its generation assets. In the summer of 2020, the government of Puerto Rico signed a 15-year P3 agreement with LUMA Energy, LLC to operate, maintain and modernize PREPA's electric transmission and distribution system. Moreover, in November 2020, the government announced that several companies had been qualified as part of the procurement process related to the Request for Qualifications for the management and operation of PREPA's legacy generation assets. In January 2023, the management and operation of PREPA's legacy generation assets was awarded to Genera PR, LLC, a wholly owned subsidiary of New Fortress Energy Inc. Legislation enacted in April 2019 requires a study of net metering to be completed within five years, which may result in revisions to the existing rules. **The PREB published a draft study in the summer of 2024. However, no changes can the date by which said study must be made-completed is currently in question due to retail a lawsuit seeking the nullification of amendments to the net metering for five years after the date the legislation was enacted-act promulgated in January 2024, which would postpone said study to no earlier than January 2030.** Meanwhile, "true" net metering will continue to apply, meaning the credit for energy exported by net metering clients will equal the value of such energy under the rate applicable to those clients and accordingly, their charges will be based on their net consumption. Customers subject to this regime will continue to be covered by it on a legacy basis for a period of 20 years from the date of their net metering agreements. Net metering customers in Puerto Rico may be impacted by transition charges and other requirements contemplated in a restructuring agreement between PREPA and its creditors, currently pending before the U. S. District Court for the District of Puerto Rico in bankruptcy-like proceedings under Title III of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"). PROMESA provides

PREPA with access to a workout process similar to bankruptcy. The Financial Oversight and Management Board for Puerto Rico (**the "Oversight Board"**) has filed a **modified** fourth amended Plan of Adjustment ("POA") to reduce more than \$ 10 billion of total asserted claims by various creditors against PREPA before the U. S. District Court for the District of Puerto Rico in bankruptcy- like proceedings under Title III of the PROMESA. Said POA includes a "legacy charge" that is composed of a volumetric charge depending on consumption and a flat connection fee; a direct "solar tax" is not currently expected. Depending on a customer's consumption and status as a rate payer (i. e. low income exemption), rates are likely to increase. **Nevertheless, In November 2024, the U. S. Court of Appeals for the First Circuit issued a renewed opinion regarding bondholder claims in the PREPA Title III Case. As a result of this, the Oversight Board announced it will need to file a further amended POA. The has not been finally adjudicated by the Title III Court, issued and an Order on February 7** ~~creditors could appeal any final judgement. Hence, 2025 requiring the Oversight Board to file a status report by February 28, 2025 proposing a timetable for the formulation and filing of a new or amended POA for PREPA bankruptcy is ongoing but is nearing its final stages. In While we do not currently contract directly with the meantime Puerto Rico government or PREPA, the litigation stay and mediation have been extended March 2025 and April 2025, respectively.~~ **Continued** weakness in the Puerto Rico economy or the failure of the Puerto Rico government to manage its fiscal challenges in an orderly manner could result in policy decisions we do not anticipate and may directly or indirectly adversely impact our business, financial condition and results of operations. In addition, it is unclear whether the selection of private concessionaires for PREPA's transmission and distribution system and legacy generation assets may have an impact on our business. The PREB has instituted administrative proceedings regarding customer complaints about our Puerto Rican operations, the operations of some of our dealers in Puerto Rico and certain Sunnova policies and procedures related to contract disclosures and invoice disputes in Puerto Rico. **These proceedings concluded in December 2020 without** ~~At this time, we are unable to determine whether the PREB will seek imposition of any penalties against us in the future in connection with these proceedings or require a change in our practices and procedures. Based on this matter, however, the U. S. Better Business Bureau listed Sunnova as not accredited. We have not experienced a material impact as a result of the listing. The ongoing COVID-19 pandemic and future pandemics could adversely affect our business, financial condition and results of operations. We cannot predict the full impact the COVID-19 pandemic or other pandemics or the affect any resulting disruption and volatility in the capital markets will have on our business, cash flows, liquidity, financial condition and results of operations due to numerous uncertainties. The ultimate impact will depend on future developments, including, among other things, the ultimate duration of any such virus, the distribution, acceptance and efficacy of a vaccine, the depth and duration of the economic downturn and other economic effects of the pandemic, the consequences of governmental and other measures designed to prevent the spread of any such virus, actions taken by governmental authorities, customers, dealers and other third parties, our ability and the ability of our customers, potential customers and dealers to adapt to operating in a changed environment and the timing and extent to which normal economic and operating conditions resume thereafter. Dealer and marketplace confidence in our liquidity and long- term business prospects is important for building and maintaining our business. Our financial condition, operating results and business prospects may suffer materially if we are unable to establish and maintain confidence about our liquidity and business prospects among dealers, consumers, financing partners and within our industry. Our dealer network is an integral component of our business strategy and serves as the means by which we are able to rapidly and successfully expand within existing and prospective markets. Dealers and other third parties will be less likely to enter into dealer agreements with us or originate new customer agreements if they are uncertain we will be able to make payments on time, our business will succeed or our operations will continue for many years. Our solar energy systems and energy storage systems require ongoing maintenance and support. If we were to reduce operations, even years from now, buyers of our solar energy systems and energy storage systems from years earlier might have difficulty having us provide or arrange repairs or other services to our and their solar energy systems and energy storage systems, which remain our responsibility under the terms of our solar service agreements. As a result, consumers may be less likely to enter into solar service agreements with us if they are uncertain our business will succeed or our operations will continue for many years. Accordingly, in order to build and maintain our business, we must maintain confidence among dealers, customers and other parties in our liquidity and long- term business prospects. We may not succeed in our efforts to build this confidence. Damage to our brand and reputation or change or loss of use of our brand could harm our business and results of operations. We depend significantly on our reputation for high- quality products, excellent customer service and the brand name "Sunnova" to attract new customers and grow our business. If we fail to continue to deliver our solar energy systems, energy storage systems or other sustainable home products within the planned timelines, if our offerings do not perform as anticipated or if we damage any of our customers' properties or delay or cancel projects, our brand and reputation could be significantly impaired. While Future-future technological improvements may allow us to offer lower prices or offer new technology to new customers; however, the potential technical limitations in our current solar energy systems and energy storage systems may prevent us from offering such lower prices or new technology to our existing customers. The inability of our current customers to benefit from certain of those technological improvements could cause those our existing customers to lower the value they perceive believe our existing products offer and impair our brand and reputation. In addition, given the sheer number of interactions our personnel or dealers operating on our behalf have with customers and potential customers, it is inevitable that some customers' and potential customers' interactions with our company or dealers operating on our behalf will be perceived as less than satisfactory. This has led to instances of customer complaints, some of which have affected our digital footprint on rating websites and social media platforms. If we cannot manage our hiring and training processes to avoid or minimize these issues to the extent possible, our reputation may be harmed and our ability to attract new customers would suffer. In addition, if we were to no longer use, lose the right to continue to use or if others use the "Sunnova" brand, we could lose recognition in the marketplace among customers, suppliers and dealers, which could affect our business, financial condition, results of operations and would require financial and other investment and management attention in new branding,~~

which may not be as successful. ~~Further, an increased politicization of solar energy and financing options may result in increased scrutiny on our industry participants and may negatively impact consumers' perception of our products.~~ Our operating results and our ability to grow may fluctuate from quarter to quarter and year to year, which could make our future performance difficult to predict and could cause our operating results for a particular period to fall below expectations. Our quarterly and annual operating results and our ability to grow are difficult to predict and may fluctuate significantly in the future. We have experienced seasonal and quarterly fluctuations in the past and expect to experience such fluctuations in the future. In addition to the other risks described in this "Risk Factors" section, the following factors could cause our operating results to fluctuate:

- expiration, reduction, or initiation of any governmental rebates or incentives;
- significant fluctuations in customer demand for our solar energy services and related systems;
- our dealers' ability to complete installations in a timely manner;
- our and our dealers' ability to gain interconnection permission for an installed solar energy system from the relevant utility **in a timely manner**;
- the availability, terms and costs of suitable financing;
- the amount, timing of sales and potential decreases in value of investment tax credits ("ITCs") and SRECs;
- our ability to continue to expand our operations and the amount and timing of expenditures related to this expansion;
- announcements by us or our competitors of 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 centralized electric utilities;
- actual or anticipated developments in our competitors' businesses, technology or the competitive landscape; ~~and~~ • natural disasters or other weather or meteorological conditions; **and** • **pandemics and other health crises**.

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. Inflation could result in decreased value from future contractual payments and higher expenses for labor and equipment, which, in turn, could adversely impact our reputation, business, financial condition, cash flows and results of operations. Any future increase in inflation may adversely affect our costs, including our dealers' cost of labor and equipment, and may result in a decrease in value in our future contractual payments. Many of our solar service agreements, which generally have a term ranging from 10 to 25 years, do not contain any pricing escalators. The pricing escalators we do have may not keep pace with inflation, which would result in the agreement yielding decreased value over time. These factors could adversely impact our reputation, business, financial condition, cash flows and results of operations. Increased interest rates may result in a decrease in origination for our homebuilder channel and a reduction in principal prepayments by our customers. Origination for our homebuilder channel relies on the construction and sale of new homes by our homebuilder partners. Many customers of our homebuilder partners rely on mortgage loans from banks and other lenders to finance a substantial portion of the purchase price for their home. Increased mortgage interest rates may lead to lower demand for new homes and a reduced number of homes available for solar origination through our homebuilder channel. Additionally, increased interest rates may result in fewer secondary home sales, a reduction in the number of customers refinancing their mortgage and uncertainty about the economy. This could result in a material reduction in the amount of our customers making principal prepayments of their loans. Future expansions of our operations may subject us to additional risks. We may expand into other industry verticals in the future. There is no assurance that we will be able to successfully develop products and services that are valued for these new industries. Our investment of resources to develop products and services for the new industries we enter into may either be insufficient or result in **large** expenses ~~that are excessive~~ as compared to the revenue that we may earn in launching such vertical. As we explore additional opportunities, we can make no assurance that we will be able to accurately forecast demand (or lack thereof) for our products or services or that new industries would be receptive to our products or services. Failure to predict demand or growth accurately in new industries could have a material adverse effect on our business. **Any future international operations may subject..... is no guarantee this trend will continue**. If we are unsuccessful in developing and maintaining our proprietary technology, including our Catalyst software, our ability to attract and retain dealers and customers could be impaired, our competitive position and our ability to raise capital could be harmed and our results of operations and financial position could be harmed. Our future growth and profitability 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, Catalyst. 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 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. If our allowance for credit losses is not enough to cover actual credit losses from our customer notes receivable portfolio, our results of operations and financial condition could be negatively affected. We maintain an allowance for credit losses, which is a reserve that represents our best estimate of actual credit losses we may experience in our existing customer notes receivable portfolio. The level of the allowance reflects our continuing evaluation of factors including the financial asset type, customer credit rating, contractual term, vintage, volume and trends in delinquencies, nonaccruals, write-offs and present economic, political and regulatory conditions. The determination of the appropriate level of the allowance for credit losses inherently involves subjectivity in our modeling and requires us to make estimates of current credit risks and future trends, all of which may undergo material changes or vary from our historical experience. Deterioration in economic conditions affecting our customers, including the effects of rising inflation in the U. S., new information regarding existing loans and other factors, both within and outside of our control, may require an increase in the allowance for credit losses. Furthermore, if write-offs in future periods exceed the allowance for credit losses we will need to increase the allowance for credit losses in future periods. Any increases in the allowance for credit losses will result in an increase in net loss and could have a material adverse effect on our business, financial condition and results of operations. We adopted Accounting Standards Update No. 2016- 13, Financial Instruments — Credit Losses, in January 2020, which requires entities to use a forward- looking expected loss approach, referred to as the current expected credit loss ("CECL") methodology

in place of the previously- used incurred loss model. In future periods, CECL may result in increased reserves during or in advance of an economic downturn. If we are required to materially increase our level of allowance for credit losses for any reason, such increase could have a material adverse effect on our business, financial condition and results of operations. Certain of our key operational metrics, including estimated gross contracted customer value, are based on various assumptions and estimates we make that cover an extended period of time. Actual experience may vary materially from these estimates and assumptions and therefore undue reliance should not be placed on these metrics. Our key operational metrics include a number of assumptions and estimates we make that cover an extended period of time (up to 35 years) and may not prove accurate. In calculating estimated gross contracted customer value, we estimate projected monthly customer payments over the remaining life of our customer agreements, in particular our solar service agreements which typically range from 10 to 25 years in length with an opportunity for customers to renew for up to an additional 10 years, and from the future sale of related SRECs. These estimated future cash flows depend on various factors including but not limited to customer agreement type, contracted rates, customer loss rates, expected sun hours and the projected production capacity of the solar equipment installed. Additionally, in calculating estimated gross contracted customer value we also estimate cash distributions to tax equity fund investors and operating, maintenance and administrative expenses associated with the customer agreements, including expenses related to accounting, reporting, audit, insurance, maintenance and repairs over the remaining life of our customer agreements. Furthermore, in calculating estimated gross contracted customer value, we discount our future net cash flows at 6 % based in part on industry practice and in part on the interest rate obtained on certain recent securitizations. This discount rate might not be the most appropriate discount rate based on interest rates in effect from time to time and industry or company- specific risks associated with these cash flows and the appropriate discount rate for these estimates may change in the future due to the level of inflation, rising interest rates, our cost of capital, customer default rates and consumer demand for solar energy systems, among other things. We also assume customer losses of 0 % in calculating these metrics even though we expect to have some minimal level of customer losses over the life of our contracts. To illustrate the way in which actual results may change, we present sensitivities around the discount rate and the rate of customer losses, although these sensitivities may not capture the most appropriate discount rate or the rate of customer losses we will experience. For a discussion of estimated gross contracted customer value and the related discount rate and such sensitivities, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial and Operational Metrics—Estimated Gross Contracted Customer Value". PricewaterhouseCoopers LLP has not audited, reviewed, examined, compiled nor applied agreed- upon procedures with respect to these operational metrics or their components. The estimates discussed above are based on a combination of assumptions that may prove to be inaccurate over time. Such inaccuracies could be material, particularly given the estimates relate to cash flows up to 35 years in the future.

**A termination of our subsidiaries as manager or servicer under our financing arrangements could have an adverse effect on our business and liquidity. In connection with our tax equity partnerships, warehouse credit facilities and securitizations, certain of our subsidiaries receive a fee for managing and servicing the related solar energy systems, energy storage systems, loans and / or other sustainable home products, as applicable, pursuant to management and servicing agreements. Our subsidiaries may be terminated from such role following the occurrence of certain events, including breaches of representations or covenants under management or servicing agreements or certain bankruptcy or insolvency events. We may be unable to cure such event or obtain a waiver if any such termination event were to occur. If one or more of our subsidiaries is terminated from such roles, our reputation may be harmed, we would lose the related fees and our cash flows would be adversely affected. In such an event, the related transaction manager would be expected to seek a replacement manager or servicer, which may be the contracted backup servicer or a new party. Such transition process may create operational risks to customer billing and collections or asset maintenance and repair, or may result in an event of default under our Solstice loan facility or other financing agreements, any of which may adversely affect our business, liquidity, operations and the assets and cash flows underlying our financings. Pandemics and other health crises could affect our business, financial condition and results of operations in many respects. The emergence, severity, magnitude and duration of global or regional health crises are uncertain and difficult to predict. A pandemic could affect certain business operations, demand for our products and services, in- stock positions, costs of doing business, availability of labor, access to inventory, supply chain operations, our ability to predict future performance, exposure to litigation and our financial performance, among other things. Other factors and uncertainties include, but are not limited to: the severity and duration of pandemics, evolving macroeconomic factors (including general economic uncertainty, unemployment rates and recessionary pressures), changes in labor markets affecting us and our suppliers, unknown consequences on our business performance and initiatives stemming from the substantial investment of time and other resources to the pandemic response, the pace of post- pandemic recovery, the long- term impact of any pandemic on our business (including consumer behaviors) and disruption and volatility within the financial and credit markets.** Risks Related to the Solar Industry The 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 solar energy industry is an emerging and constantly evolving market opportunity. We believe the solar energy industry is still developing and maturing, and we cannot be certain the market will grow to the size or at the rate we expect. If the markets for solar energy and related financing sources do not develop to the size or at the rate we expect, our business may be adversely affected. The growth and sustainability of the solar energy market and the success of our solar service offerings and operations depend on many factors beyond our control, including: • recognition and acceptance of the solar service market by consumers; • fluctuations in economic and market conditions that affect the viability of conventional and other renewable energy sources, such as increases or decreases in the prices of oil, gas and other fossil fuels; • the availability of favorable regulation for solar power and battery energy storage within the electric power industry and the broader energy industry; • the continuation and expansion of expected tax benefits and other

government incentives; • increases in the cost or reduction in supply of solar energy system and energy storage system components due to tariffs or trade restrictions imposed by the U. S. government; • the availability and cost of capital to finance new solar and battery storage projects and working capital, including interest rates, risk premiums charged to solar industry borrowers, tax equity and tax credit purchases; • the success of other renewable energy technologies such as wind power, hydroelectric power, clean hydrogen, geothermal power and biomass fuel; • capital expenditures by end users of solar power and battery storage products and services; and • our ability to provide our solar service offerings cost effectively. 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. Additionally, there have been significant changes in the residential solar policy and pricing framework in several markets, including California and Arizona, and proposed changes in other markets such as Puerto Rico. Further, if support diminishes materially, whether on account of the new presidential administration or otherwise, for solar policy related to rebates, tax credits, bill crediting or other incentives, including interest in related financings by tax equity investors and other finance partners, 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 our business. Growth in residential solar energy depends in part on macroeconomic conditions, retail prices of electricity and customer preferences, each of which can change quickly. For example, recent interest rate increases and resulting loan financing costs have led to a shift in customer demand from solar loans to leases and PPAs, which in turn requires a shift by industry participants in required financing sources to support such originations from loan- focused debt financings to tax equity, tax credit sales and related debt financing. Although tax credit incentives exist under the IRA, competition for these forms of financing sources continues to increase and may not be available on terms or timing or in sufficient quantity to fund our growth or operations, and we may not be able to shift our financing sources quickly enough to use them. Similarly, 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. Actual events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions supporting the solar industry or the financial services industry generally, or similar events at companies in the solar industry or businesses that provide tax equity to or purchase tax credits from the solar industry, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market- wide liquidity problems or challenges in the availability or cost of capital for the solar industry. Any adverse changes in macroeconomic conditions, changes in the availability or cost of capital or solar energy system and energy storage system components, changes in retail prices of electricity, changes in regulatory conditions or government incentives or changes in customer preferences would adversely impact our business. If sufficient additional demand for solar energy systems does not develop or takes longer to develop than we anticipate, our origination of solar service agreements may decrease. The distributed solar energy market is at a relatively early stage of development in comparison to fossil fuel- based electricity generation. If additional demand for distributed solar energy systems fails to develop sufficiently or takes longer to develop than we anticipate, we may be unable to originate additional solar service agreements and related solar energy systems and energy storage systems to grow our business. In addition, demand for solar energy systems and energy storage systems in our targeted markets may not develop to the extent we anticipate. As a result, we may be unsuccessful in broadening our customer base through origination of solar service agreements and related solar energy systems and energy storage systems within our current markets or in new markets we may enter. Many factors may affect the demand for solar energy systems, including the following: • availability, substance and magnitude of solar support programs including government targets, subsidies, incentives, renewable portfolio standards and net metering rules; • the relative pricing of other conventional and non- renewable energy sources, such as natural gas, coal, oil and other fossil fuels, wind, utility- scale solar, nuclear, geothermal and biomass; • performance, reliability and availability of energy generated by solar energy systems compared to conventional and other non- solar renewable energy sources; • availability and performance of energy storage technology, the ability to implement such technology for use in conjunction with solar energy systems and the cost competitiveness such technology provides to customers as compared to costs for those customers reliant on the conventional electrical grid; and • general economic conditions and the levels of inflation and interest rates. The solar energy industry is constantly evolving, which makes it difficult to evaluate our prospects. We cannot be certain if historical growth rates reflect future opportunities or whether the growth anticipated by us will be realized. The failure of distributed solar energy to achieve, or its being significantly delayed in achieving, widespread adoption could have a material adverse effect on our business, financial condition and results of operations. A material reduction in the retail price of electricity charged by electric utilities or other retail electricity providers would harm our business, financial condition and results of operations. Decreases in the retail price of electricity from electric utilities or from other retail electric providers, including other renewable energy sources such as larger- scale solar energy systems, could make our offerings less economically attractive. The price of electricity from utilities could decrease as a result of: • the construction of a significant number of new power generation plants, whether generated by natural gas, nuclear power, coal or renewable energy; • the construction of additional electric transmission and distribution lines; • a reduction in the price of natural gas or other natural resources as a result of increased supply due to new drilling techniques or other technological developments, a relaxation of associated regulatory standards or broader economic or policy developments; • less demand for electricity due to energy conservation technologies and public initiatives to reduce electricity consumption or to recessionary economic conditions; and • development of competing energy technologies that provide less expensive energy. A reduction in electric utilities' rates or changes to peak hour pricing policies or rate design (such as the adoption of a fixed or flat rate) could also make our offerings less competitive with the price of electricity from the electrical grid. If the cost of energy available from electric utilities or other providers were to decrease

relative to solar energy generated from solar energy systems or if similar events impacting the economics of our offerings were to occur, we may have difficulty attracting new customers or existing customers may default or seek to terminate, cancel or otherwise avoid the obligations under their solar service agreements. ~~For example, large utilities in California have started transitioning customers to time-of-use rates and also have adopted a shift in the peak period for time-of-use rates to later in the day. Unless grandfathered under a different rate, customers with solar energy systems are required to take service under time-of-use rates with the later peak period. Moving utility customers to time-of-use rates or the shift in the timing of peak rates for utility-generated electricity to include times of day when solar energy generation is less efficient or non-operable could also make our offerings less competitive. Time-of-use rates could also result in higher costs for our customers whose electricity requirements are not fully met by our offerings during peak periods.~~ Additionally, the price of electricity from utilities may grow less quickly than the escalator feature in certain of our solar service agreements, which could also make our solar energy systems less competitive with the price of electricity from the electrical grid and result in a material adverse effect on our business, financial condition and results of operations. Our business has benefited from the declining cost of solar energy system and energy storage system components and may be harmed to the extent the cost of such components stabilizes or increases in the future. Our business has benefited from the declining cost of solar energy system and energy storage system components and to the extent such costs stabilize, decline at a slower rate or increase, our future growth rate may be negatively impacted. The declining cost of solar energy system and energy storage system components and the raw materials necessary to manufacture them has been a key driver in the price of solar energy systems and energy storage systems we own, the prices charged for electricity and customer adoption of solar energy. While historically solar energy system and energy storage system components and raw material prices have declined, the cost of these components and raw materials have ~~recently~~ **previously** increased and may ~~continue to~~ increase in the future, and ~~such~~ **the availability of these** products' ~~availability~~ could decrease, due to a variety of factors, including growth in the solar energy system and energy storage system industries and the resulting increase in demand for solar energy system and energy storage system components and the raw materials necessary to manufacture them, supply chain disruptions, tariff penalties, duties, and trade barriers, export regulations, regulatory or contractual limitations, industry market requirements and industry standards, changes in technology, the loss of or changes in economic governmental incentives, inflation or other factors. An increase of solar energy system components and raw materials prices could slow our growth and operations and cause our business and results of operations to suffer. See " — Increases in the cost or reduction in supply of solar energy system and energy storage system components due to tariffs or trade restrictions imposed by the U. S. government could have an adverse effect on our business, financial condition and results of operations". We and our dealers depend on a limited number of suppliers of solar energy system components and technologies to adequately meet demand for our solar energy systems. Due to the limited number of suppliers in our industry, the acquisition of any of these suppliers by a competitor or any shortage, delay, price change, imposition of tariffs or duties or other limitation in our or our dealers' ability to obtain components or technologies we use could result in sales and installation delays, cancellations and loss of customers. We rely on our dealers to install solar energy systems and energy storage systems, each of whom has direct supplier arrangements. Our dealers purchase solar panels, inverters, energy storage systems and other system components and instruments from a limited number of suppliers, approved by us, making us susceptible to quality issues, shortages and price changes. For the year ended December 31, **2024, Hanwha Q- Cells and Canadian Solar supplied approximately 61 % and 12 %, respectively, of our solar photovoltaic panels installed. For the year ended December 31, 2023, Hanwha Q- Cells and Canadian Solar supplied approximately 55 % and 11 %, respectively, of our solar photovoltaic panels installed, respectively, and no other supplier represented more than 10 % of our solar photovoltaic panels installed.** For the year ended December 31, ~~2022~~ **2024**, ~~Hanwha Q- Cells supplied~~ **Enphase Energy, Inc. and SolarEdge Technologies Inc. accounted for** approximately ~~68~~ **63** % ~~and 26 %, respectively, of the inverters used in our solar energy system installations~~ ~~photovoltaic panels installed and no other supplier represented more than 10 % of our solar photovoltaic panels installed.~~ For the year ended December 31, 2023, Enphase Energy, Inc. and SolarEdge Technologies Inc. accounted for approximately 67 % and 27 %, respectively, of the inverters used in our solar energy system installations. For the ~~year years~~ ended December 31, ~~2022~~ **2024**, ~~Enphase Energy, Inc. and SolarEdge Technologies Inc. accounted for approximately 57 % and 42 %, respectively, of the inverters used in our solar energy system installations.~~ For the year ended December 31, 2023, Tesla, Inc. accounted for approximately 87 % of our energy storage system purchases. For the year ended December 31, 2022, Tesla, Inc. accounted for approximately 94 % of our energy storage system purchases. There are a limited number of suppliers of solar energy system components, instruments and technologies. If one or more of the suppliers we and our dealers rely upon to meet anticipated demand ceases or reduces production due to its financial condition, acquisition by a competitor or otherwise, is unable to increase production as industry demand increases or is otherwise unable to allocate sufficient production to us and our dealers, it may be difficult to quickly identify alternative suppliers or to qualify alternative products on commercially reasonable terms and our ability and the ability of our dealers to satisfy this demand may be adversely affected. While we believe there are other sources of supply for these products available, a dealer' s need to transition to a new supplier may result in additional costs and delays in originating solar service agreements and deploying our related solar energy systems or energy storage systems, which in turn may result in additional costs and delays in our acquisition of such solar service agreements and related solar energy systems and energy storage systems. These issues could have a material adverse effect on our business, financial condition and results of operations. There have also been periods of industry- wide shortages of key components and instruments, including batteries and inverters, in times of rapid industry growth. 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. ~~The~~ **In recent times, the** solar industry ~~is currently experiencing rapid growth and, as has experienced a result,~~ shortages of key components or instruments, including solar panels. **If such shortages continue, we** may be **faced with** more likely to occur, which in turn may result in price increases for such components. Even if

industry- wide shortages do not occur, suppliers may decide to allocate key components or instruments with high demand or insufficient production capacity to more profitable customers, customers with long- term supply agreements or customers other than us, our dealers or other third parties from whom we may originate solar energy systems and our ability to originate solar service agreements and related solar energy systems and energy storage systems may be reduced as a result. Our supply chain and operations (or those of our dealers) could be subject to natural disasters and other events beyond our control, such as earthquakes, wildfires, flooding, hurricanes, freezes, tsunamis, typhoons, volcanic eruptions, droughts, tornadoes, power outages or other natural disasters, the effects of climate change and related extreme weather, public health issues, epidemics and pandemics, war, terrorism, government restrictions or limitations on trade, impediments to international shipping and geopolitical unrest and uncertainties. Human rights and forced labor issues in foreign countries and the U. S. government' s response to them could disrupt our supply chain and our operations could be adversely impacted. Historically, we and our dealers have relied on foreign suppliers for a number of solar energy system components, instruments and technologies that our dealers purchase. Our success in the future may be dependent on our dealers' ability to import or transport such products from overseas vendors in a timely and cost- effective manner. We and our dealers may rely heavily on third parties, including ocean carriers and truckers, both of which are experiencing disruptions, shortages and rate increases, in that process. Our dealers may find it necessary to rely on an increasingly expensive spot market and other alternative sources to make up any shortfall in shipping needs. If our dealers cannot obtain substitute materials or components on a timely basis or on acceptable terms, they could be prevented from installing our solar energy systems within the time frames required in our customer contracts. Any such delays could increase our overall costs, reduce our profit, delay the timing for solar energy systems to be placed in service and ultimately have a material adverse effect on our business, financial condition and results of operations .

**Changes in U. S. foreign trade policy, including as a result of the new presidential administration, could lead to the imposition of additional economic or trade sanctions, tariffs or other trade barriers against countries, individuals or entities with whom we transact. Any such change could make it more costly and time- consuming for us or our dealers to obtain products from overseas suppliers. In addition, we cannot predict what changes to trade policy will be made by the current or a future presidential administration or Congress, including whether existing tariff policies will be maintained or modified or whether the entry into new bilateral or multilateral trade agreements will occur, nor can we predict the effects that any such changes would have on our business. Changes in U. S. trade policy also have resulted and could again result in adverse reactions from U. S. trading partners, including adopting responsive trade policies making it more costly and difficult for U. S. businesses to transact with individuals and entities in such country. Such changes in U. S. trade policy or in laws and policies governing foreign trade, and any resulting negative sentiments towards the U. S. as a result of such changes, could materially and adversely affect our business, financial condition, results of operations and liquidity. See" — Increases in the cost or reduction in supply of solar energy system and energy storage system components due to tariffs or trade restrictions imposed by the U. S. government could have an adverse effect on our business, financial condition and results of operations".**

Warranties provided by the manufacturers of equipment for our assets and maintenance obligations of our dealers may be limited by the ability of a supplier and / or dealer to satisfy its warranty or performance obligations or by the expiration of applicable time or liability limits, which could reduce or void the warranty protections or may be limited in scope or magnitude of liabilities and thus, the warranties and maintenance obligations may be inadequate to protect us. We agree to maintain the solar energy systems and energy storage systems installed on our customers' homes and businesses during the length of the term of our solar service agreements, which typically range from 10 to 25 years. We are exposed to any liabilities arising from the solar energy systems' failure to operate properly and are generally under an obligation to ensure each solar energy system remains in good condition during the term of the agreement. We are the beneficiary of the panel manufacturers' warranty coverage, typically of 10 years for material and 25 years for performance and workmanship, the inverter manufacturers' warranty coverage, typically from 10 to 25 years and the energy storage manufacturers' warranty coverage, typically of 10 years. Furthermore, our dealers provide warranties as to their workmanship. In the event such warranty providers or dealers file for bankruptcy, cease operations, face regulatory challenges that limit or prevent conducting operations or otherwise become unable or unwilling to fulfill their warranty or maintenance obligations, we may not be adequately protected by such warranties or maintenance obligations. Even if such warranty or maintenance providers or dealers fulfill their obligations, the warranty or maintenance obligations may not be sufficient to protect us against all of our losses. In addition, our warranties are of limited duration, ranging from one year, in the case of certain solar energy system and transformer warranties, to 25 years, in the case of certain panel performance and workmanship warranties, after the date each equipment item is delivered or commissioned, although the useful life of our solar energy systems is 35 years. These warranties are subject to liability and other limits. If we seek warranty protection and a warranty provider is unable or unwilling to perform its warranty obligations, or if a dealer is unable or unwilling to perform its maintenance obligations, whether as a result of its financial condition, its inability to comply with applicable laws or regulations, or otherwise, or if the term of the warranty or maintenance obligation has expired or a liability limit has been reached, there may be a reduction or loss of protection for the affected assets, which could have a material adverse effect on our business, financial condition and results of operations. Our failure to accurately predict future liabilities related to material quality or performance expenses could result in unexpected volatility in our financial condition. Because of the long estimated useful life of our solar energy systems, 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. We made these assumptions based on the historic performance of similar solar energy systems or on accelerated life cycle testing. Our assumptions could prove to be materially different from the actual performance of our solar energy systems, causing us to incur substantial expense to repair or replace defective solar energy systems in the future or to compensate customers for solar energy systems that do not meet their performance guarantees. Equipment defects, serial defects or operational deficiencies also would reduce our revenue from solar

service agreements because the customer payments under such agreements are dependent on solar energy system production or would require us to make refunds under performance guarantees. Any widespread product failures or operating deficiencies may damage our market reputation and adversely impact our financial results. For further discussion of these potential charges and related proposals, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Components of Results of Operations". Increases in the cost or reduction in supply of solar energy system and energy storage system components due to tariffs or trade restrictions imposed by the U. S. government could have an adverse effect on our business, financial condition and results of operations. China is a major producer of solar cells and other solar products. Certain solar cells, modules, laminates and panels from China are subject to various U. S. anti- dumping and countervailing duty rates, depending on the exporter supplying the product, imposed by the U. S. government as a result of determinations that the U. S. was materially injured as a result of such imports being sold at less than fair value and subsidized by the Chinese government. While historically our dealers have endeavored to purchase these products from manufacturers outside of China, some of these products are purchased from manufacturers in China or from manufacturers in other jurisdictions who rely, in part, on products sourced in China. If alternative sources are no longer available on competitive terms in the future, we and our dealers may be required to purchase these products from manufacturers in China. In addition, tariffs on solar cells, modules and inverters in China may put upward pressure on prices of these products in other jurisdictions from which our dealers currently purchase equipment, which could reduce our ability to offer competitive pricing to potential customers. The anti- dumping and countervailing duties discussed above are subject to annual review and may be increased or decreased. Furthermore, under Section 301 of the Trade Act of 1974, the **Office of the United States Trade Representative (" USTR ")** imposed tariffs on \$ 200 billion worth of imports from China, including inverters and certain AC modules and non- lithium- ion batteries, effective September 24, 2018. In May 2019, the tariffs were increased from 10 % to 25 % and **. In September 2024, the USTR announced tariffs would increase 50 % for solar cells modules. These Section 301 tariffs** may be raised by the USTR in the future. Since these tariffs impact the purchase price of the solar products, these tariffs raise the cost associated with purchasing these solar products from China and reduce the competitive pressure on providers of solar cells not subject to these tariffs. In August 2021, an anonymous trade group filed a petition with the U. S. Department of Commerce (**"the" DOC"**) requesting an investigation into whether solar panels and cells imported from Malaysia, Thailand and Vietnam are circumventing anti- dumping and countervailing duties imposed on solar products manufactured in China. The group also requested the imposition of tariffs on such imports ranging from 50 %- 250 %. In November 2021, the **DOC U. S. Department of Commerce** rejected the petition, citing the petitioners' ongoing anonymity as one of the reasons for its decision. In March 2022, the **DOC U. S. Department of Commerce** announced it **is was** initiating country- wide circumvention inquiries to determine whether imports of solar cell and modules produced in Cambodia, Malaysia, Thailand and Vietnam that use components from China **are were** circumventing anti- dumping and countervailing duty orders on solar cells and modules from China. The **DOC Department of Commerce**' s inquiries were initiated pursuant to a petition filed by Auxin Solar, Inc. **on in** February 8, 2022. In December 2022, the **DOC Department of Commerce** announced its preliminary determination in the investigation. In its determination, the **DOC Department of Commerce** found that certain Chinese solar manufacturers circumvented U. S. import duties by routing some of their operations through Cambodia, Malaysia, Thailand and Vietnam. Given the **DOC Department of Commerce** preliminarily found that circumvention was occurring through each of the four Southeast Asian countries, the **DOC Department of Commerce** made a "country- wide "circumvention finding, which designates each country as one through which solar cells and modules are being circumvented from China. However, companies in these countries will be permitted to certify they are not circumventing the U. S. import duties, in which case the circumvention findings may not apply. In August 2023, after completing its investigation, which included conducting in- person audits and gathering public comments, the **DOC Department of Commerce** issued a final determination that affirmed its preliminary determination in most respects and found that five of eight manufacturers investigated were circumventing anti- dumping and countervailing duty orders. Notably, however, **on in** June 6, 2022, the **former** President **Biden** of the United States issued an emergency declaration establishing a two- year tariff exemption on new tariffs for solar panels and cells imported from Cambodia, Malaysia, Thailand and Vietnam, delaying the possibility of the imposition of new anti- dumping and countervailing duties until the end of such two- year period. In September 2022, the **DOC Department of Commerce** issued its final rule effectuating the two- year exemption period, and new dumping duties will not be imposed on solar panels and cells imported from Cambodia, Malaysia, Thailand and Vietnam until the earlier of two years after the date of the emergency declaration or when the emergency is terminated. Tariffs **were may be** reinstated **in June 2024** following the exemption period, but under the **DOC Department of Commerce**' s rule, imports of solar cells and modules **will were** not be subject to retroactive tariffs during the exemption period. In December 2023, Auxin Solar and Concept Clean Energy commenced a new lawsuit challenging the **DOC Department of Commerce**' s authority to effect the exemption period and seeking to "reliquidate "imports completed during that period in order to retroactively apply anti- dumping and countervailing duty tariffs **. In April 2024, a new rule, originally issued by the DOC in March 2024, went into effect. The new rule enhances the DOC' s ability to enforce and administer anti- dumping and countervailing duty rules, including to consider cross- border subsidies in its calculations. Also in April 2024, a group of U. S. solar manufacturers filed new petitions seeking new anti- dumping and countervailing duties on solar components from Cambodia, Malaysia, Thailand and Vietnam** . The addition of new anti- dumping and countervailing duties would significantly disrupt the supply of solar cells and modules to customers in the U. S., as a large percentage of solar cells and modules used in the U. S. are imported from Cambodia, Malaysia, Thailand and Vietnam. If imposed, these or similar tariffs could put upward pressure on prices of these solar products, which could reduce our ability to offer competitive pricing to potential customers. In addition, in December 2021, the U. S. International Trade Commission recommended the President extend tariffs initially imposed in 2018 **under Section 201 of the Trade Act of 1974** on imported crystalline silicon PV cells and modules for another four years, until 2026. Under Presidential Proclamation 10339, published in February 2022, President Biden extended the tariff beyond the scheduled

expiration date of ~~in~~ February 6, 2022, with an initial tariff of 14.75%, which will gradually be reduced to 14% by the eighth year of the measure. Since such actions increase the cost of imported solar products, to the extent we or our dealers use imported solar products or domestic producers are able to raise their prices for their solar products, the overall cost of the solar energy systems will increase, which could inhibit our ability to offer competitive pricing in certain markets. Additionally, the U. S. government has imposed various trade restrictions on Chinese entities determined to be acting contrary to U. S. foreign policy and national security interests. For example, the ~~DOC U. S. Department of Commerce~~'s Bureau of Industry and Security has added a number of Chinese entities to its entity list for enabling human rights abuses in the Xinjiang Uyghur Autonomous Region ("XUAR") or for procuring U. S. technology to advance China's military modernization efforts, thereby imposing severe trade restrictions against these designated entities. Moreover, in June 2021, U. S. Customs and Border Protection issued a Withhold Release Order pursuant to Section 307 of the Tariff Act of 1930 barring the entry into U. S. commerce of silica-based products (such as polysilicon) manufactured by Hoshine Silicon Industry Co. Ltd. ("Hoshine") and related companies, as well as goods made using those products, based on allegations related to Hoshine labor practices in the XUAR to manufacture such products. Additionally, in December 2021, Congress passed the Uyghur Forced Labor Prevention Act, which, with limited exception, prohibits the importation of all goods or articles mined or produced in whole or in part in the XUAR, or goods or articles mined or produced by entities working with the XUAR government to recruit, transport or receive forced labor from the XUAR. Although we maintain policies and procedures designed to maintain compliance with all governmental laws and regulations, these and other similar trade restrictions that may be imposed against Chinese entities in the future may have the effect of restricting the global supply of, and raising prices for, polysilicon and solar products, which could increase the overall cost of solar energy systems and reduce our ability to offer competitive pricing in certain markets. We cannot predict what additional actions the ~~current~~ U. S. ~~presidential administration~~ may adopt with respect to tariffs or other trade regulations or what actions may be taken by other countries in retaliation for such measures, ~~nor are we able to predict the extent or nature of the impact of such governmental actions or policies on our business~~. 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, our costs and ability to economically serve certain markets. If additional measures are imposed or other negotiated outcomes occur, our ability or the ability of our dealers to purchase these products on competitive terms or to access specialized technologies from other countries could be further limited, which could adversely affect our business, financial condition and results of operations. The solar energy systems we own or may originate have a limited operating history and may not perform as we expect. Many of the solar energy systems we currently own or may originate in the future have not commenced operations, have recently commenced operations or otherwise have a limited operating history. Of the approximately ~~200-263~~, 000 solar energy systems we owned as of December 31, ~~2023-2024~~, ~~27-24~~%, ~~16-21~~% and ~~13-12~~% were placed into service in ~~2024~~, ~~2023~~, ~~and~~ ~~2022~~ and ~~2021~~, respectively. The ability of our solar energy systems to perform as we expect will also be subject to risks inherent in newly constructed renewable energy assets, including breakdowns and outages, latent defects, equipment that performs below our expectations, system failures and outages. As a result, our assumptions and estimates regarding the performance of these solar energy systems are, and will be, made without the benefit of a meaningful operating history, which may impair our ability to accurately assess the potential profitability of the solar energy systems and, in turn, our results of operations, financial condition and cash flows. The cost of maintenance or repair of solar energy systems or energy storage systems throughout the term of the associated solar service agreement or the removal of solar energy systems at the end of the term of the associated solar service agreement may be higher than projected today and adversely affect our financial performance and valuation. If we incur repair and maintenance costs on our solar energy systems or energy storage systems ~~as a result of failure or malfunction~~ after the individual component warranties have expired ~~and if they then fail or malfunction~~, we will be liable for the expense of repairing these solar energy systems or energy storage systems without a chance of recovery from our suppliers. In addition, we typically bear the cost of removing the solar energy systems at the end of the term of the lease or PPA if the customer does not renew ~~his or her~~ ~~their~~ agreement or elect to purchase the solar energy system at the end of its term. Furthermore, it is difficult to predict how future environmental regulations may affect the costs associated with the repair, removal, disposal or recycling of our solar energy systems. This could materially impair our future operating results. Problems with performance of our solar energy systems may cause us to incur expenses, may lower the value of our solar energy systems and may damage our market reputation and adversely affect our business. In most cases, our long-term leases and loan agreements contain a performance guarantee in favor of the customer. Solar service agreements with performance guarantees require us to provide a bill credit (or in limited cases, refund money) to the customer if the solar energy system fails to generate the minimum amount of electricity, as specified in the solar service agreement, in a given term, beginning as early as the first anniversary of the execution of the solar service agreement and annually thereafter. We may also suffer financial losses associated with such credit and refunds if significant performance guarantee payments are triggered. For a description of our performance guarantee obligations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Components of Results of Operations — Revenue". We and our dealers are subject to risks associated with installation and other contingencies. Our dealers design and install solar energy systems and energy storage systems on our behalf. Because the solar service agreement is entered into between us and the customer, we may be liable to our customers for any damage our dealers cause to our customers' homes or businesses, belongings or property during the installation of our solar energy systems and energy storage systems or otherwise. For example, dealers may penetrate our customers' roofs during the installation process and we may incur liability for the failure to adequately weatherproof such penetrations following the completion of installation ~~of solar energy systems~~. In addition, because our solar energy systems and energy storage systems are high-voltage energy systems, we may incur liability for a dealer's failure to comply with electrical standards and manufacturer recommendations. Furthermore, prior to obtaining permission to operate our solar energy systems and energy storage systems, the solar energy systems and energy storage

systems must pass various inspections. Any delay in passing, or inability to pass, such inspections, would adversely affect our results of operations. Because our profit on a particular solar service agreement and related solar energy system and energy storage system, if applicable, is based in part on assumptions as to the ongoing cost of the related solar energy system and energy storage system, if applicable, cost overruns, delays or other execution issues may cause us to not achieve our expected results or cover our costs for that solar service agreement and related solar energy system and energy storage systems, if applicable. Product liability claims against us or accidents could result in adverse publicity and potentially significant monetary damages. It is possible our solar energy systems, energy storage systems or our other sustainable home products could injure our customers or other third parties or those systems or products could cause property damage as a result of product malfunctions, defects, improper installation, fire or other causes. We rely on third- party manufacturing warranties, warranties provided by our dealers and our general liability insurance to cover product liability claims and have not obtained separate product liability insurance. Our solar energy systems, energy storage systems and other sustainable home products or their components could be subject to recalls either to production defects or malfunctions. Any product liability claim we face could be expensive to defend and may divert management' s attention. The successful assertion of product liability claims against us could result in potentially significant monetary damages, potential increases in insurance expenses, penalties or fines, subject us to adverse publicity, damage our reputation and competitive position and adversely affect sales of solar energy systems, energy storage systems or other sustainable home products. In addition, product liability claims, injuries, defects or other problems experienced by other companies could lead to unfavorable market conditions to the industry as a whole and may have an adverse effect on our ability to expand our portfolio of customer agreements and related solar energy systems and energy storage systems, thus affecting our business, financial condition and results of operations. We typically bear the risk of loss and the cost of maintenance, repair and removal on solar energy systems that are owned by our subsidiaries and included in securitization and tax equity vehicles. 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 we sell to subsidiaries ~~and, include~~ **including those** in securitization and tax equity vehicles. At the time we enter into a tax equity or securitization transaction, we enter into a maintenance services agreement where we agree to operate and maintain the solar energy system for a fixed fee 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 the solar energy systems were higher than our estimate, we would need to perform such repairs without additional compensation. If our solar energy systems, approximately ~~44-46~~ % of which were located in California and Puerto Rico as of December 31, ~~2023-2024~~, are damaged as the result of a natural disaster **or other event** 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. The installation and operation of solar energy systems and energy storage systems depends heavily on suitable solar and meteorological conditions, which may be impacted by the effects of climate change. If meteorological conditions are unexpectedly unfavorable, the electricity production from our solar energy systems may be substantially below our expectations and our ability to timely deploy new solar energy systems and energy storage systems may be adversely impacted. Climate change poses a systemic threat to the global economy and is inextricably linked with our business. While our core business model seeks to mitigate climate change and accelerate energy independence, there are inherent climate- related risks to our business operations. Climate change **or other factors** could exacerbate the frequency and severity of weather events in all areas where we operate. ~~Climate change or other factors could also~~ cause prevailing weather patterns to materially change in the future, making it harder to predict the average annual amount of sunlight striking each location where we install a solar energy system and energy storage system. Potential negative effects of climate change include, among others, a temporary decrease in solar availability in certain locations, disruptions in transmission grids and delays or reductions in new installations. The energy produced and the revenue and cash receipts generated by a solar energy system depend on suitable solar, atmospheric and weather conditions, all 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 hurricanes, freezes, hailstorms, tornadoes, fires or earthquakes. Our economic model and projected returns on our solar energy systems require achievement of certain production results from our systems and, in some cases, we guarantee these results to our consumers. If the solar energy systems underperform for any reason, our business could suffer. For example, the amount of revenue we recognize in a given period from our PPAs and the amount of our obligations under the performance guarantees of our solar service agreements are dependent in part on the amount of energy generated by solar energy systems under such solar service agreements. As a result, revenue derived from our standard PPAs is impacted by seasonally shorter daylight hours in winter months. In addition, the ability of our dealers to install solar energy systems and energy storage systems is impacted by weather. For example, the ability to install solar energy systems and energy storage systems during the winter months in the Northeastern U. S. is limited. Such solar, atmospheric and weather conditions can delay the timing of when solar energy systems and energy storage systems can be installed and when we can originate and begin to generate revenue from solar energy systems. This may increase our expenses and decrease revenue and cash receipts in the relevant periods. These or other effects could make our solar energy systems less economical overall or make individual solar energy systems less economical. Any of these effects on meteorological conditions could harm our business, financial condition and results of operations. We may be subject to interruptions or failures in our ~~information~~ **software and business** technology systems. We rely on ~~information~~ **software and business** technology systems and infrastructure to support our business. Any of these systems may be susceptible to damage or interruption due to fire, floods, power loss, telecommunication failures, usage errors by employees, computer viruses, cyberattacks or other security breaches or similar events. For example, we have in the past experienced cybersecurity attacks on our ~~information~~ **software and business** technology systems or related to software we utilize, and, while none to date

have been material, we expect further attacks may occur in the future, some of which may be material. A compromise of our ~~information~~ **software and business** technology systems or those with which we interact could harm our reputation and expose us to regulatory actions and claims from customers and other persons, any of which could adversely affect our business, financial condition, cash flows and results of operations. If our information systems are damaged, fail to work properly or otherwise become unavailable, we may incur substantial costs to repair or replace them and we may experience a loss of critical information, customer disruption and interruptions or delays in our ability to perform essential functions. Disruptions to our solar monitoring and metering systems or energy storage control solution could negatively impact our revenues and increase our expenses. Our ability to monitor solar energy production, energy storage and battery discharge for various purposes, including to accurately charge customers, depends on the operation of our monitoring and metering systems and energy storage control. We have in the past experienced periods where some of our cellular connections have been unavailable and, as a result, we have been forced to estimate the production of their solar energy systems. Such estimates may prove inaccurate and could cause us to underestimate the power being generated by our systems and undercharge our customers, thereby harming our results of operations. We could incur significant expense and disruption to our operations in connection with failures of our solar monitoring and metering systems and energy storage control, including hardware failures and failure or obsolescence of the cellular and other technology that we use to communicate with those meters and controls. 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. Hardware may also be damaged or these systems may fail to communicate due to equipment failure, manufacturing defects, natural disasters such as hurricanes, freezes, fires and earthquakes, terrorist attacks, sabotage, vandalism and environmental risks. In addition, sophisticated hardware and operating system software and applications we procure from third parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of our solar energy systems or energy storage systems. 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. Any unauthorized access to or disclosure or theft of personal information we gather, store or use could harm our reputation and subject us to claims or litigation. We receive, store and use personal information of our customers, including names, addresses, e-mail addresses, credit information, credit card and financial account information and other housing or building and energy use information. We also store information of our dealers, including employee, financial and operational information. We rely on the availability of data collected from our customers and our dealers in order to manage our business and market our offerings. We take certain steps in an effort to protect the security, integrity and confidentiality of the personal information we collect, store or transmit, but there is no guarantee inadvertent or unauthorized use or disclosure will not occur or third parties will not gain unauthorized access to this information despite our efforts. **Although we take precautions to provide for disaster recovery, our ability to recover systems or data may be expensive and may interfere with our normal operations.** We also rely on third-party suppliers or vendors to host certain of the systems we use. ~~Although we take precautions to provide for disaster recovery, our ability to recover systems or data may be expensive and may interfere with our normal operations.~~ Also, although we obtain assurances from such third parties they will use reasonable safeguards to secure their systems, we may be adversely affected by unavailability of their systems or unauthorized use or disclosure of our data maintained in such systems. Because techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we, our suppliers or vendors and our dealers may be unable to anticipate these techniques or to implement adequate preventative or mitigation measures. Cyberattacks, including those leveraging artificial intelligence, are becoming more sophisticated and include, ~~but are not limited to,~~ malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in critical systems, disruption of our customers' operations, loss or damage to our data delivery systems, unauthorized release of confidential or otherwise protected information, corruption of data and increased costs to prevent, respond to or mitigate cybersecurity events. In addition, certain cyber incidents, such as advanced persistent threats, may remain undetected for an extended period. Unauthorized use, disclosure of or access to any personal information maintained by us or on our behalf, whether through breach of our systems, breach of the systems of our suppliers, vendors or dealers by an unauthorized party or through employee or contractor error, theft or misuse or otherwise, could harm our business. If any such unauthorized use, disclosure of or access to such personal information were to occur, our operations could be seriously disrupted and we could be subject to demands, claims and litigation by private parties and investigations, related actions and penalties by regulatory authorities. In addition, we could incur significant costs in notifying affected persons and entities and otherwise complying with the multitude of international, federal, state and local laws and regulations related to the unauthorized access to, use of or disclosure of personal information. Finally, any perceived or actual unauthorized access to, use of or disclosure of such information could harm our reputation, substantially impair our ability to expand our portfolio of customer agreements and related solar energy systems, energy storage systems and other sustainable home products and have an adverse impact on our business, financial condition and results of operations. The recent increase in the number of individuals and companies working remotely and otherwise working online is increasing the attack surface available to criminals. Consequently, the risk of a cybersecurity incident suffered by us or our vendors or service providers is increased, and our investment in risk mitigations against cybersecurity incidents is evolving as the threat landscape changes. 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. Terrorist or cyberattacks against centralized utilities could adversely affect our business. Assets owned by utilities such as substations and related infrastructure have been physically attacked in the past and will likely be attacked in the future. These facilities are often protected by limited security measures, such as perimeter fencing. Any such

attacks may result in interruption to electricity flowing on the grid and consequently interrupt service to our solar energy systems not combined with an energy storage system, which could adversely affect our operations. Furthermore, cyberattacks, whether by individuals or nation states, against utility companies could severely disrupt their business operations and result in loss of service to customers, which would adversely affect our operations. We face competition from centralized electric utilities, retail electric providers, independent power producers and renewable energy companies. The solar energy and renewable energy industries are both highly competitive and continually evolving as participants strive to distinguish themselves within their markets and compete with large centralized electric utilities. We believe our primary competitors are the centralized electric utilities that supply electricity to our potential customers. We compete with these centralized electric utilities primarily based on price (cents per kWh), predictability of future prices (by providing pre-determined annual price escalations) and the ease by which customers can switch to electricity generated by our solar energy systems. We may also compete based on other value-added benefits, such as reliability and carbon-friendly power. If we cannot offer compelling value to our customers based on these factors, our business may not grow. Centralized electric utilities generally have substantially greater financial, technical, operational and other resources than we do. As a result, these competitors may be able to devote more resources to the research, development, promotion and sale of their products or services or respond more quickly to evolving industry standards and changes in market conditions than we can. Centralized electric utilities could also offer other value-added products or services that could help them to compete with us even if the cost of electricity they offer is higher than ours. In addition, a majority of utilities' sources of electricity is non-solar, which may allow utilities to sell electricity **more cheaply at lower prices** than electricity generated by our solar energy systems. Centralized electric utilities could also offer customers the option of purchasing electricity obtained from renewable energy resources, including solar, which would compete with our offerings. Moreover, regulated utilities are increasingly seeking approval to "rate-base" their own solar energy system and energy storage system businesses. Rate-basing means that utilities would receive guaranteed rates of return for their solar energy system and energy storage system 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 energy systems or energy storage systems, 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 also compete with retail electric providers and independent power producers **which are** not regulated like centralized electric utilities but ~~that~~ have access to the centralized utilities' electricity transmission and distribution infrastructure pursuant to state, territorial and local pro-competition and consumer choice policies. These retail electric providers and independent power producers are able to offer customers electricity supply-only solutions that are competitive with our solar energy system options on both price and usage of renewable energy technology while avoiding the long-term agreements and physical installations our current business model requires. This may limit our ability to acquire new customers, particularly those who wish to avoid long-term agreements or have an aesthetic or other objection to putting solar panels on their roofs. We also compete with solar companies with vertically-integrated business models, including sales, financing, engineering, manufacturing, installation, maintenance and monitoring services. If the integrated approach of our competitors is successful, it may limit our ability to originate solar energy systems. Many of our vertically-integrated competitors are larger than we are. As a result, these competitors may be able to devote more resources to the research, development, promotion and sale of their products or services or respond more quickly to evolving industry standards and changes in market conditions than we can. Solar companies with vertically-integrated business models could also offer other value-added products or services that could help them to compete with us. Larger competitors may also be able to access financing at a lower cost of capital than we are able to obtain. **We also** ~~In addition, we~~ compete with other solar companies who sell or finance products directly to consumers, inclusive of programs like Property-Assessed Clean Energy financing programs established by local governments. For example, we face competition from solar installation businesses that seek financing from external parties or utilize competitive loan products or state and local programs. We also compete with solar companies with business models similar to our own, some of which are marketed to potential customers by our dealers, and we may also face competition from new entrants into the market ~~as a result of the passage of the IRA and its anticipated impacts and benefits to the solar industry~~. Some of these competitors specialize in the distributed solar energy market ~~and~~, some may provide energy at lower costs than we do ~~-and Some some of our competitors offer or~~ may offer similar services and products as we do ~~, such as leases, PPAs and direct outright sales of and consumer loan products for solar energy systems~~. Many of our competitors also have significant brand name recognition, lower barriers to entry into the solar market, greater capital resources than we have and extensive knowledge of our target markets. We also compete with solar companies that offer community solar products and utility companies that provide renewable power purchase programs. Some customers might choose to subscribe to a community solar project or renewable subscriber programs instead of having a solar energy system installed on their home or business, which could affect our sales. Additionally, some utility companies (and some utility-like entities, such as community choice aggregators in California) have generation portfolios that are increasingly renewable in nature. In California, for example, utility companies and community choice aggregators in that state are required to have generation portfolios comprised of 60% renewable energy by 2030 and state regulators are planning for utility companies and community choice aggregators to sell 100% greenhouse gas free electricity to retail customers by 2045. As utility companies offer increasingly renewable portfolios to retail customers, those customers might be less inclined to have a solar energy system installed on their home or business, which could adversely affect our growth and profitability. We have historically provided our solar services only to residential customers, but we have expanded to other markets, including commercial and industrial customers. There is intense competition in the solar energy sector in the markets in which we operate and the markets in which we intend to operate. As new entrants continue to enter into these markets, and as we enter into new markets, we may be unable to grow or maintain our operations and we may be unable to compete with companies that have already established themselves in both the residential market and non-residential markets. As the solar industry grows and evolves, we will also face new competitors and technologies who are

not currently in the market (including those resulting from the consolidation of existing competitors). Our industry is characterized by low technological barriers to entry and well-capitalized companies, including utilities and integrated energy companies, could choose to enter the market and compete with us. Our failure to adapt to changing market conditions and to compete successfully with existing or new competitors will limit our growth and profitability and will have a material adverse effect on our business, financial condition and results of operations. Developments in technology or improvements in distributed solar energy generation and related technologies or components may materially adversely affect demand for our offerings. Significant developments in technology, such as advances in distributed solar power generation, energy storage solutions such as batteries, energy storage management systems, the widespread use or adoption of fuel cells for residential or commercial properties or improvements in other forms of distributed or centralized power production may materially and adversely affect demand for our offerings and otherwise affect our business. Future technological advancements may result in reduced prices to consumers or more efficient solar energy systems than those available today, either of which may result in current customer dissatisfaction. We may not be able to adopt these new technologies as quickly as our competitors or on a cost-effective basis. Due to the length of our solar service agreements, the solar energy system deployed on a customer's property may be outdated prior to the expiration of the term of the related solar service agreement, reducing the likelihood of renewal of our solar service agreement at the end of the applicable term and possibly increasing the occurrence of customers seeking to terminate or cancel their solar service agreements or defaults. If current customers become dissatisfied with the price they pay for their solar energy system under our solar service agreements relative to prices that may be available in the future or if customers become dissatisfied by the output generated by their solar energy systems relative to future solar energy system production capabilities, or both, this may lead to customers seeking to terminate or cancel their solar service agreements or higher rates of customer default and have an adverse effect on our business, financial condition and results of operations. Additionally, recent technological advancements may impact our business in ways we do not currently anticipate. Any failure by us to adopt or have access to new or enhanced technologies or processes, or to react to changes in existing technologies, could result in product obsolescence or the loss of competitiveness and decreased consumer interest in our solar energy services, which could have a material adverse effect on our business, financial condition and results of operations. **Obtaining a customer contract contracts may be with a potential customer does not guarantee the potential customer will not decide to cancel canceled after signing or that we will not need to cancel due to customers exercising certain cancellation rights in our contracts or** 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 customer contract with a potential customer, we (either through our dealers or directly) 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 contracts, 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, which may adversely affect our financial performance, results of operations 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 term (typically 20 or 25 years) of the lease or PPA, customers may choose to purchase their solar energy systems, ask us to remove the solar energy system at our cost or renew their lease or PPA. Home and business owners may choose to not renew or purchase for any reason, such as pricing, decreased energy consumption, relocation, switching to a competitor product or technological obsolescence of the solar energy system. We are also contractually obligated to remove, store and reinstall the solar energy systems, typically for a fee, if customers need to replace or repair their roofs. 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. If the residual value of the solar energy systems is less than we expect at the end of the customer contract, after giving effect to any associated removal and redeployment costs, we may be required to accelerate the recognition of all or some of the remaining unamortized costs. This could materially impair our future results of operations. Risks Related to Our Financing Activities We need to obtain..... or financial condition. Risks Related to Regulations We are not currently regulated as an..... originate new solar service agreements". Our business currently depends in part on the availability of rebates, tax credits and other financial incentives. **Changes in The expiration, elimination or reduction of these rebates, credits or incentives or our ability to monetize them could adversely impact our business.** Our business depends in part on current government policies that promote and support solar energy and enhance the economic viability of distributed solar. Revenues from SRECs constituted approximately 7%, **7% and 9% and 17%** of our revenues for the years ended December 31, **2024, 2023, and 2022 and 2021**, respectively. U. S. federal, state and local governments established various incentives and financial mechanisms to reduce the cost of solar energy and to accelerate the adoption of solar energy. These incentives come in various forms, including rebates, tax credits and other financial incentives such as payments for renewable energy credits associated with renewable energy generation, exclusion of solar energy systems from property tax assessments or other taxes and system performance payments. However, these programs may expire on a particular date, end when the allocated funding is exhausted or be reduced or terminated as solar energy adoption rates increase. For example, New Jersey's SREC program closed in 2020 due to legislation requiring that it be closed by the earlier of the share of electricity sold by the state's utilities supplied by solar reaching 5.1% or June 2021. Following the close of the program in June 2020, customers became eligible for Transitional Renewable Energy Credits ("TRECs") under an interim transitional program replacing SRECs that provides for a lower level of revenue than the SREC program. In July 2021, the New Jersey Board of Public Utilities closed the TREC program effective August 27, 2021 and approved the long-term successor program to the TREC program, which is referred to as the Successor Solar Incentive Program ("SuSI"). Under the SuSI program, which became effective on August 28,

2021, residential facilities are eligible for the Solar Renewable Energy Certificate- II (" SREC- II") incentive. For net metered residential facilities, the SREC- II provides an administratively- determined fixed payment per megawatt hour that is guaranteed for 15 years, but is lower than the level revenue provided by the TREC program. The financial value of certain incentives decreases over time. ~~The value of SRECs in a market tends to decrease over time as the supply of SREC – producing solar energy systems installed in that market increases.~~ If we overestimate the future value of these incentives, it could adversely impact our business, results of operations and financial results. See" Business — Government Incentives". A loss or reduction in such incentives could decrease the attractiveness of new solar energy systems to customers **or as collateral for financings**, which could adversely impact our business and our access to capital. We also enter into economic hedges related to expected production of SRECs through forward contracts that require us to physically deliver the SRECs upon settlement. These arrangements may, depending on the instruments used and the level of additional hedges involved, limit any potential upside from SREC production increases. We may be exposed to potential economic loss should a counterparty be unable or unwilling to perform their obligations under the terms of a hedging agreement. In addition, we are exposed to risks related to changes in interest rates and may engage in hedging activities to mitigate related volatility. We may fail to properly hedge these SRECs or may fail to do so economically, which may also adversely affect our results of operations. The economics of purchasing a solar energy system and energy storage system are also improved by eligibility for accelerated depreciation, also known as the modified accelerated cost recovery system ("~~MACRS~~"), which allows for the depreciation of equipment according to an accelerated schedule set forth by the IRS. This accelerated schedule allows a taxpayer, such as us and investors in tax equity financing arrangements, to recognize the depreciation of tangible solar property on a five- year basis even though the useful life of such property is generally greater than five years. We benefit from accelerated depreciation on the solar energy systems and energy storage systems we own. To the extent these policies are changed in a manner that reduces the incentives that benefit our business, we may experience reduced revenues and reduced economic returns, experience increased financing costs and encounter difficulty obtaining financing. The federal government currently provides for the Section 48 (a) ITC, the Section 48E ITC for eligible property that begins construction after 2024 **(or is placed in service after 2024)** and the Section 25D Credit. Under current law, the Section 48 (a) ITC of the Code allows taxpayers to claim an investment tax credit that, depending on the location of a particular project, its size, its ability to satisfy certain labor and domestic content requirements and the category of consumers it serves, can range between 6 % and 70 % of the basis of certain commercially owned energy property, in each case construction of which begins before 2025. The Section 48E ITC percentage generally will be the same as the percentage for the Section 48 (a) ITC. The Section 48E ITC percentage will begin to phase down for projects that began construction after (a) 2033 or (b) if later, the first year after the year in which the U. S. Treasury Department determines greenhouse gas emissions from the production of electricity in the U. S. are no more than 25 % of 2022 levels. To be eligible for the Section 48 (a) ITC or the Section 48E ITC at the 30 % level, the eligible energy property must either (a) meet certain labor and apprenticeship requirements or (b) have a maximum net output of less than one megawatt (as measured in alternating current). Beginning in 2023, we **may** are able to claim the Section 48 (a) ITC or the Section 48E ITC, as applicable, for energy storage systems regardless of whether such systems are installed in conjunction with solar energy systems. We would be able to claim the Section 48 (a) ITC or the Section 48E ITC, as applicable, when available for solar energy systems or energy storage systems we originate under lease agreements or PPAs based on our ownership of the solar energy system at the time it is placed in service. Additionally, the IRA allows for the transfer of ITCs, increasing opportunities to monetize the relevant credits **. The IRA also created several ITC" bonus credits" to further incentivize various types of solar and storage facilities. Under these new rules, the ITC may be increased by 10 percentage points if it has sufficient" domestic content", by 10 percentage points if it is located in an" energy community", and by 10 or 20 percentage points if it is located in a low- income community and receives an allocation from the Department of Treasury of a portion of the annual" environmental justice solar and wind capacity limitation". The U. S. Department of the Treasury has issued multiple notices or other pieces of guidance for each bonus credit. Our ability to use the domestic content bonus credit will depend in part on the extent we can obtain the necessary information from our equipment suppliers, provide comfort to our financing partners and insurers that we have complied with the burdensome existing guidance, and comply with current and future guidance.** Section 25D of the Code allows an individual to claim a 30 % federal tax credit with respect to a residential solar energy system and / or energy storage system that is owned by the homeowner. As a result, the Section 25D Credit is claimed by customers who purchase solar energy systems and / or energy storage systems. **Current law provides** ~~This~~ **this** Section 25D Credit will remain at 30 % through the end of 2032, reduce to 26 % for 2033, reduce to 22 % for 2034 and further reduce to 0 % after 2034, unless it is extended before that time. The Section 25D Credit reduces the cost of consumer ownership of solar energy systems and / or energy storage systems, such as under the loan program. The Section 48 (a) ITC has been a significant driver of the financing supporting the adoption of residential solar energy systems in the U. S. and the Section 25D Credit has been a significant driver of consumer demand for ownership of solar energy systems. Any reduction in, or expiration of, these tax credits will likely impact the attractiveness of residential solar and could harm our business. For example, we expect the expiration of the Section 25D Credit will increase the cost of consumer ownership of solar energy systems, such as under the loan program. ~~Applicable authorities~~ **The assumptions regarding expected tax benefits, both in timing and amount, are made in accordance with the guidance provided by the IRS. Any changes to the IRS guidance which we relied upon in structuring our projects, any legislative, administrative or other similar changes, failure to comply with the requirements, including the safe harbor guidance, lower levels of incentives granted or changes in assumptions including the estimated residual values and the estimated fair market value of financed and installed systems for the purposes of the ITC, could materially and adversely affect our business and financial results. If the IRS disagrees, as a result of any future review or audit, with the fair market value of, or other assumptions concerning, our solar projects or systems we have constructed or we construct in the future, including the systems for which tax incentives have already been paid, it could have a material adverse effect**

**on our business and financial condition. We also have obligations to indemnify certain of our investors or counterparties who have purchased ITCs for the loss of tax incentives. We may adjust have to recognize impairments or lower margins than initially anticipated or for decrease incentives certain of our projects. Additionally, if the amount or timing of ITCs received varies from time to time what we have projected, or our revenues, margins and cash flows could be adversely affected.** include provisions for minimum domestic content requirements or other requirements to qualify for these incentives.

Reductions in, eliminations or expirations of or additional application requirements for governmental incentives could adversely impact our results of operations and ability to compete in our industry by increasing our cost of capital, causing distributed solar power companies to increase the prices of their energy and solar energy systems and reducing the size of our addressable market. In addition, this would adversely impact our ability to attract investment partners and lenders and our ability to expand our portfolio of solar service agreements and related solar energy systems and energy storage systems. See "Business — Government Incentives **We are not** currently regulated as an electric public utility under applicable law but may be subject to regulation as an electric utility in the future. We are not currently regulated as an electric public utility in the U.S. under applicable national, state or other local regulatory regimes where we conduct business. As a result, we are not currently subject to the various federal, state and local standards, restrictions and regulatory requirements applicable to centralized public utilities. Any federal, state or local regulations that cause us to be treated as an electric utility or to otherwise be subject to a similar regulatory regime of commission- approved operating tariffs, rate limitations and related mandatory provisions, could place significant restrictions on our ability to operate our business and execute our business plan by prohibiting, restricting or otherwise regulating our sale of electricity. If we were subject to the same state or federal regulatory authorities as centralized electric utilities in the U.S. and its territories or if new regulatory bodies were established to oversee our business in the U.S. and its territories or in foreign markets we enter, our operating costs would materially increase or we might have to change our business in ways that could have a material adverse effect on our business, financial condition and results of operations. While we are not regulated as extensively as an electric public utility, we are subject to certain utility- like regulations in jurisdictions such as California, New York, Arizona, Nevada, Florida and Puerto Rico. In New York, distributed energy providers are subject to regulation by the New York Public Service Commission (the "NYPSC") with respect to customer interactions (including contracting and marketing) and are required to comply with the NYPSC's Uniform Business Practices. In connection with approving the Uniform Business Practices, the NYPSC also established an oversight framework under which it could impose other regulatory requirements on distributed energy providers. In Puerto Rico, we are regulated as an electric **service power** company under applicable PREB regulations in connection with the sale and invoicing of energy generated by distributed generation systems having an aggregate capacity of **more than** 1 megawatt ~~or more~~. Among other requirements, these regulations impose certain filing, certification, reporting and annual fee requirements upon us but do not currently subject the companies to centralized utility- like regulation or require the PREB's approval of their charges. In California, the CPUC issued an order approving several consumer protection measures for solar customers, including a requirement for solar providers to provide customers with the California Solar Consumer Protection Guide, which provides customers with information regarding the selection of a contractor, solar financing, bill savings estimates, net energy metering and electric rates, low- income options and related matters. The CPUC order also requires the investor- owned utilities in California to adopt procedures to verify during the interconnection process that the customer received the California Solar Consumer Protection Guide and that the solar provider is licensed, and to collect and report on complaints regarding solar providers. If we become subject to new, additional regulatory requirements in these jurisdictions or other jurisdictions adopt similar regulatory requirements, our operating costs would materially increase or we might have to change our business in ways that could have a material adverse effect on our business, financial condition and results of operations. Electric utility policies and regulations, including those affecting electric rates, may present regulatory and economic barriers to the purchase and use of solar energy systems that may significantly reduce demand for electricity from our solar energy systems and adversely impact our ability to originate new solar service agreements. Federal, state and local government regulations and policies concerning the electric utility industry, utility rates and rate structures and internal policies and regulations promulgated by electric utilities, heavily influence the market for electricity generation products and services. These regulations and policies often relate to electricity pricing. Policies and regulations that promote renewable energy and distributed energy generation have been challenged by centralized electric utilities and questioned by those in government and others arguing for less governmental spending and involvement in the energy market. To the extent such views are reflected in government policies and regulations, the changes in such policies and regulations could adversely affect our business, financial condition and results of operations. Furthermore, any effort to overturn 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. In the U.S., governmental authorities and state public service commissions that determine utility rates, rate structures and the terms and conditions of electric service continuously modify these regulations and policies. These regulations and policies could result in a significant reduction in the potential demand for electricity from our solar energy systems and could deter customers from entering into solar service agreements with us. With regard to rates, customers with solar energy systems may currently pay or be subject in the future to increased charges due to increased rates or changes in rate design and structures. Utilities in certain jurisdictions may assess fees that apply only to customers with distributed generation systems, including residential or non-residential solar energy systems or impose charges on solar customers that are significantly higher than comparable charges billed to non- solar customers. These fees may include demand, stand- by or departing load charges or monthly minimum charges. Certain jurisdictions may permit utilities to change their rate design and structures that could result in charges that would disproportionately impact customers with solar energy systems. For example, a reduction in the number of tiers of rates could result in increased charges for lower- demand customers, including many solar customers, by moving them to a new rate tier with higher rates. It could also result in lower charges for higher- demand customers, who may then become less incentivized

to consider solar energy to meet their electricity needs. Similarly, a change in rate design to recover more costs from fixed charges as opposed to variable charges (i.e. "decoupled" rates, by which the utility's revenue requirement is "decoupled" from its level of electricity sales in designing rates) may have the same effect. Additionally, depending on the region, electricity generated by solar energy systems competes most effectively with the most expensive retail rates for electricity from the electrical grid, rather than the less expensive average price of electricity. Modifications to the centralized electric utilities' peak hour pricing policies or rate design could make our current product offerings less competitive with the price of electricity from the electrical grid. A shift in the timing of peak rates for utility-generated electricity to include times of day when solar energy generation is less efficient or non-operable could make our solar energy systems less competitive and reduce demand for our product offerings. Time-of-use rates could also result in higher costs for solar customers whose electricity requirements are not fully met by the solar energy system during peak periods. Utilities in Arizona, California, New Jersey and Puerto Rico, among other states and jurisdictions, have proposed or received approval by state regulators for such rate measures as described in this risk factor. Any such changes affecting rates could increase our customers' cost to use our solar energy systems and make our service and product offerings less desirable, thereby harming our business, financial condition and results of operations. The imposition of any such rate measures could limit the ability of distributed solar power companies to compete with the price of electricity generated by centralized electric utilities, which may reduce the number of solar energy systems installed in those jurisdictions. Additionally, any such unaccounted for increases in the fees or charges applicable to existing customer agreements may increase the cost of energy to those customers and result in an increased rate of defaults, terminations or cancellations under our solar service agreements. In addition, changes to government or internal utility regulations and policies that favor centralized electric utilities could reduce our competitiveness and cause a significant reduction in demand for our product offerings. Any of the foregoing results could limit our ability to expand our portfolio of solar service agreements and related solar energy systems and energy storage systems or harm our business, financial condition and results of operations. We rely on net metering and related policies to offer competitive pricing to our customers in most of our current markets and changes to net metering policies may significantly reduce demand for electricity from solar energy systems. Net metering is one of several key policies that have enabled the growth of distributed generation solar energy systems in the U.S., providing significant value to certain qualifying residential and commercial customers for electricity generated by their solar energy systems but not directly consumed on-site. Net metering allows a homeowner or a business to pay the local electric utility for power usage net of production from the solar energy system or other distributed generation source. Homeowners or businesses receive a credit for the energy an interconnected solar energy system generates in excess of that needed by the home to offset energy purchases from the centralized utility made at times when the solar energy system is not generating sufficient energy to meet the customer's demand. In many markets, this credit is equal to the retail rate for electricity and in other markets, such as Hawaii and Nevada, the rate is less than the retail rate and may be set, for example, as a percentage of the retail rate or based upon a valuation of the excess electricity. In some states and utility territories, customers are also reimbursed by the centralized electric utility for net excess generation on a periodic basis. Net metering programs have been subject to legislative and regulatory scrutiny in some states and territories including, but not limited to, California, New Jersey, Arizona, New Hampshire, Nevada, Connecticut, Florida, Maine, Kentucky, Puerto Rico and Guam. These jurisdictions, by statute, regulation, administrative order or a combination thereof, have recently adopted or are considering new restrictions and additional changes to net metering programs either on a state-wide basis or within specific utility territories. Many of these measures were introduced and supported by centralized electric utilities. These measures vary by jurisdiction and may include a reduction in the rates or value of the credits customers are paid or receive for the power they deliver back to the electrical grid, caps or limits on the aggregate installed capacity of generation in a state or utility territory eligible for net metering, expiration dates for and phasing out of net metering programs, replacement of net metering programs with alternative programs that may provide less compensation and limits on the capacity size of individual distributed generation systems that can qualify for net metering. Net metering and related policies concerning distributed generation also received attention from federal legislators and regulators. In California, the California Public Utilities Commission (the "CPUC") issued an order in 2016 retaining retail-based net metering credits for residential customers of California's major utilities as part of Net Energy Metering 2.0 ("NEM 2.0"). Under NEM 2.0, new distributed generation customers receive the retail rate for electricity exported to the grid, less certain non-bypassable fees. Customers under NEM 2.0 also are subject to interconnection charges and time-of-use rates. Existing customers who receive service under the prior net metering program, as well as new customers under the NEM 2.0 program, currently are permitted to remain covered by them on a legacy basis for a period of 20 years. In December 2022, the CPUC's Net Energy Metering 3.0 ("NEM 3.0") order reduced the value of net metering credits from the retail rate to an avoided cost rate for new customers not covered by the legacy NEM 2.0 program. While NEM 3.0 is currently under judicial review, it remains in effect. Proceedings on distributed energy policy and utility rates before the CPUC or legislation concerning these matters could also result in changes that affect customers with distributed generation systems. In New Jersey, the Board of Public Utilities has the option under state law of limiting participation in the retail rate net metering program if the aggregate capacity of owned and operating systems reaches 5.8% of total annual kWh sold in the state. In November **As of December 31, 2024 2023**, that the Staff of the New Jersey Board of Public Utilities issued a notice stating it calculated the 5.8% threshold was **had not yet been** reached during Energy Year 2024, which ended in May 2024. By the same notice, the Staff of the New Jersey Board of Public Utilities initiated stakeholder proceedings concerning potential future changes to net metering policies. A technical conference was convened in February 2025 for stakeholders to present their views on the design of a successor net metering program, and post-conference public comments are due in March 2025. These proceedings are expected to result in the development of recommendations to the New Jersey Board of Public Utilities for potential adoption of a successor net metering program. No proposals are yet before the New Jersey Board of Public Utilities and no final action has been taken at this stage. In October 2023, the Arizona Corporation Commission voted to reopen the proceeding that set the level of net metering credits. The value of

credits, the current schedule for the step-down of the credit value over time and the length of the period during which the value of credits are locked in for customers may all be subject to review. No final action has been taken at this stage. In Puerto Rico, legislation enacted in **April 2019 requires a study of January 2024** known as Act 10 extended current net metering policies through at least 2030, absent further regulatory action. In July 2024, the Puerto Rico Financial Oversight and Management Board ("FOMB") filed a lawsuit to invalidate Act 10 **to be completed within five years, which may result in advocating the Act was a legislative overreach on the political independence of the PREB, as well as highlighting the need for the study of proper policy decisions revisions to**. Subsequently, the PREB published a draft study on **existing rules. However, no changes can be made to retail** net metering it may use in future cost-shifting arguments and regulatory action in favor **for** of devaluing Puerto Rico **five years after the date the legislation was enacted. Meanwhile, "true"** net metering. Based on the historical record, we believe the FOMB will **continue to apply** likely prevail in invalidating Act 10. Nevertheless, without **meaning the credit for energy exported** completion of the PREPA bankruptcy (as defined below) and without further action by PREB, the landscape remains uncertain with respect to any immediate changes to net metering in Puerto Rico **clients will equal the value of such energy under the rate applicable to those clients and accordingly, their charges will be based on their net consumption**. Net Customers subject to this regime will remain covered by it on a **legacy basis for a period of 20 years from the date of their net** metering customers in Puerto Rico may be impacted by transition charges and other requirements contemplated in a restructuring agreement **agreements** between PREPA and its creditors, currently pending before the U. S. District Court for the District of Puerto Rico in bankruptcy-like proceedings under Title III of the **PROMESA** Puerto Rico Oversight, Management, and Economic Stability Act. Nevertheless, **that matter the POA** has not been finally adjudicated by the Title III Court and creditors could appeal any final judgement. **Hence** In recent court filings, the Title III Court has extended mediation efforts through April 2025 and has required the Oversight Board to file a status report by February 28, 2025 identifying a proposed timetable for the filing of a new or amended POA. However, the PREPA bankruptcy is ongoing **and but is nearing its final stages** ultimate effects on net metering in Puerto Rico are currently unknown. In Guam, the Consolidated Commission on Utilities adopted a resolution in 2018 recommending retail rate net metering for customers of the Guam Power Authority be replaced with a "buy all / sell all" or similar program that provides for **compensation to homeowners at a lower, avoided cost rate. In other jurisdictions, including Minnesota, Connecticut and parts of Texas, replacing net metering with a "value of distributed energy", "feed-in", or "sell-all / buy-all" tariff is also being considered or has been adopted. Net metering and related policies concerning distributed generation have received attention from federal legislators and regulators and challenge by various stakeholders. For example, in April 2020, the New England Ratepayers Association petitioned the FERC to declare its exclusive federal jurisdiction over distributed generation, including residential solar, and to establish new federal customer compensation rates for excess energy in lieu of state net metering programs. While the FERC rejected the petition on procedural grounds, further challenges to net metering based on federal law may occur. Changes in federal law, including those made by statute, regulation, rule or order, could negatively affect net metering or other related policies that otherwise promote and support solar energy and enhance the economic viability of distributed solar. Additionally, distributed solar customers in certain jurisdictions may be subject to higher charges from centralized electric utilities than non-solar customers and such charges should be evaluated together with the net metering policies in place. If such charges are imposed, the cost savings associated with switching to solar energy may be significantly reduced and our ability to expand our portfolio of solar service agreements and related solar energy systems and energy storage systems and compete with centralized electric utilities could be impacted. For further discussion of these potential charges and related proposals, see " — Electric utility policies and regulations, including those affecting electric rates, may present regulatory and economic barriers to the purchase and use of solar energy systems that may significantly reduce demand for electricity from our solar energy systems and adversely impact our ability to originate new solar service agreements".** Our business depends in part on the regulatory treatment of third-party owned solar energy systems. Our lease and PPA agreements are third-party ownership arrangements. Retail sales of electricity by third parties such as us face regulatory challenges in some states and jurisdictions, including states and jurisdictions we intend to enter where the laws and regulatory policies have not historically embraced competition to the service provided by the vertically integrated centralized electric utility. Some of the principal challenges pertain to whether third-party owned solar energy systems qualify for the same levels of rebates or other non-tax incentives available for customer-owned solar energy systems, whether third-party owned solar energy systems are eligible at all for these incentives and whether third-party owned solar energy systems are eligible for net metering and the associated significant cost savings. Furthermore, in some states and utility territories, third parties are limited in the way they may deliver solar to their customers. In certain jurisdictions, laws have been interpreted to prohibit the sale of electricity pursuant to PPAs, leading distributed solar energy system providers to use leases in lieu of PPAs, in addition to customer ownership. These regulatory constraints may, for example, give rise to various property tax issues. See "Risks Related to Taxation". Changes in law and reductions in, eliminations of or additional requirements for, benefits such as rebates, tax incentives and favorable net metering policies decrease the attractiveness of new solar energy systems to distributed solar power companies and the attractiveness of solar energy systems to customers, which could reduce our acquisition opportunities. Such a loss or reduction could also adversely impact our access to capital and reduce our willingness to pursue solar energy systems due to higher operating costs or lower revenues from leases and PPAs. Technical and regulatory limitations regarding the interconnection of solar energy systems to the electrical grid may significantly reduce our ability to sell electricity from our solar energy systems in certain markets or delay interconnections and customer in-service dates, harming our growth rate, operations and customer satisfaction. Technical and regulatory limitations regarding the interconnection of solar energy systems to the electrical grid may curb or slow our growth and operations in key markets. Utilities throughout the country follow different rules and regulations regarding interconnection and regulators or utilities have or could cap or limit the amount of solar energy that can be interconnected to the

grid. Our solar energy systems generally do not provide power to home and business owners until they are interconnected to the grid. With regard to interconnection limits, the FERC, in promulgating the first form of small generator interconnection procedures, recommended limiting customer- sited intermittent generation resources, such as our solar energy systems, to a certain percentage of peak load on a given electrical feeder circuit. Similar limits have been adopted by many states as a de facto standard and could constrain our ability to market to customers in certain geographic areas where the concentration of solar installations exceeds this limit. Furthermore, in certain areas, we benefit from policies that allow for expedited or simplified procedures related to connecting solar energy systems and energy storage systems to the electrical grid. We also are required to obtain interconnection permission for each solar energy system from the local utility. In many states and territories, by statute, regulations or administrative order, there are standardized procedures for interconnecting distributed solar energy systems and related energy storage systems to the electric utility' s local distribution system. However, approval from the local utility could be delayed as a result of a backlog of requests for interconnection or the local utility could seek to limit the number of customer interconnections or the amount of solar energy on the grid. In some states, such as New Jersey and Massachusetts, certain utilities such as municipal utilities or electric cooperatives are exempt from certain interconnection requirements. If expedited or simplified interconnection procedures are changed or cease to be available, if interconnection approvals from the local utility are delayed or if the local utility seeks to limit interconnections, this could decrease the attractiveness of new solar energy systems and energy storage systems to distributed solar power companies, including us, and the attractiveness of solar energy systems and energy storage systems to customers. Delays in interconnections could also harm our growth rate and customer satisfaction scores. Such limitations or delays could also adversely impact our access to capital and reduce our willingness to pursue solar energy systems and energy storage systems due to higher operating costs or lower revenues from solar service agreements. Such limitations would negatively impact our business, results of operations, future growth, profitability and cash flows. As adoption of solar distributed generation rises, along with the increased operation of utility- scale solar generation (such as in key markets including California), the amount of solar energy being contributed to the electrical grid may surpass the capacity anticipated to be needed to meet aggregate demand. If solar generation resources reach a level capable of producing an over- generation situation, some existing solar generation resources may have to be curtailed to maintain operation of the electrical grid. In the event such an over- generation situation were to occur, this could also result in a prohibition on the addition of new solar generation resources. The adverse effects of such a curtailment or prohibition without compensation could adversely impact our business, results of operations, future growth, profitability and cash flows. We and our dealers are subject to risks associated with construction, regulatory compliance and other contingencies. We utilize our growing dealer network to market, design, construct and install solar energy systems and energy storage systems in each of the markets in which we operate. The marketing and installation of solar energy systems and energy storage systems is subject to oversight and regulation in accordance with national, state and local laws and ordinances related to consumer protection, building, fire and electrical codes, professional codes, safety, environmental protection, utility interconnection, metering and related matters. We also rely on certain of our dealers and third- party contractors to obtain and maintain permits and professional licenses, including as contractors, and other authorizations from various regulatory authorities and abide by their respective conditions and requirements in many of the jurisdictions in which we operate, as well as perform permitting and installation of solar energy systems and energy storage systems using or complying with government sponsored platforms such as SolarAPP . A failure by us to obtain necessary permits or encounter delays in obtaining or renewing such permits or to use properly licensed dealers and third- party contractors or to use government- sponsored or government- mandated platforms could adversely affect our operations in those jurisdictions. Furthermore, we may become subject to similar regulatory requirements in some jurisdictions in which we operate. It is difficult and costly to track the requirements of every authority with jurisdiction over our operations and our solar energy systems. Separately, we are subject to regulations and potential liability under the Resource Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation, and Liability Act related to the disposal of wastes generated in connection with our operations. Regulatory authorities may impose new government regulations or utility policies, change existing government regulations or utility policies, may seek expansive interpretations of existing regulations or policies pertaining to our services or solar energy systems and energy storage systems or may initiate associated investigations or enforcement actions or impose penalties or reject solar energy systems and energy storage systems. Any of these factors may result in regulatory and / or civil litigation, significant additional expenses to us or our customers, cause delays in our or our dealers' ability to originate solar service agreements or install or interconnect solar energy systems and energy storage systems or cause other harm to our business. As a result, this could cause a significant reduction in demand for our services and solar energy systems and energy storage systems or otherwise adversely affect our business, financial condition and results of operations. In connection with certain of our financing transactions guaranteed by the DOE, we and certain of our dealers and affiliates may be subject to additional laws and regulations including the Davis- Bacon Act of 1931, as amended (" Davis- Bacon Act"), governing certain prevailing wage requirements, the False Claims Act and similar state laws. These laws and regulations are complex and subject to varying interpretations, and it is possible regulatory authorities could challenge our or our dealers' policies and practices. If we or our dealers fail to comply with these laws, we could be subject to federal or state government investigations or actions or private actions. Additionally, these financing transactions guaranteed by the DOE are subject to satisfaction and certification of certain conditions, including the accuracy of project- related representations and warranties, delivery of updated project- related information, evidence of compliance with the prevailing wage requirements of the Davis- Bacon Act and certification from the DOE' s consulting engineer that certain proceeds of the advances are used to reimburse eligible project costs. Compliance with occupational safety and health requirements and best practices can be costly and noncompliance with such requirements may result in potentially significant monetary penalties, operational delays and adverse publicity. The installation and ongoing operations and maintenance of solar energy systems and energy storage systems requires individuals hired by us, our dealers or third- party contractors, potentially including our employees, to work at heights

with complicated and potentially dangerous electrical systems. The evaluation and modification of buildings as part of the installation process requires these individuals to work in locations that may contain potentially dangerous levels of asbestos, lead, mold or other materials known or believed to be hazardous to human health. There is substantial risk of serious injury or death if proper safety procedures are not followed. Our operations are subject to regulation under OSHA, DOT regulations and equivalent state and local laws. Changes to OSHA or DOT requirements, or stricter interpretation or enforcement of existing laws or regulations, could result in increased costs. If we fail to comply with applicable OSHA or DOT regulations, even if no work-related serious 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. Because individuals hired by us or on our behalf to perform installation and ongoing operations and maintenance of our solar energy systems and energy storage systems, including our dealers and third-party contractors, are compensated on a per project basis, they are incentivized to work more quickly than installers compensated on an hourly basis. While we have not experienced a high level of injuries to date, this incentive structure may result in higher injury rates than others in the industry and could accordingly expose us to increased liability. Individuals hired by or on behalf of us may have workplace accidents and receive citations from OSHA regulators for alleged safety violations, resulting in fines. Any such accidents, citations, violations, 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. A failure to comply with laws and regulations related to interactions by us or our dealers with current or prospective customers could result in negative publicity, claims, investigations and litigation and adversely affect our financial performance. Our business substantially focuses on customer agreements and transactions with customers. We offer leases, loans and other products and services to consumers by contractors in our dealer networks, who utilize sales people employed by or engaged as third-party service providers of such contractors. We and our dealers must comply with numerous federal, state and local laws and regulations that govern matters related to interactions with consumers, including those pertaining to consumer protection, marketing and sales, privacy and data security, consumer financial and credit transactions, mortgages and refinancings, home improvement contracts, warranties and various means of customer solicitation, including under the laws identified in " — Our business is subject to consumer protection laws. Such laws and regulatory enforcement policies and priorities are subject to change that may negatively impact our business". These laws and regulations are dynamic and subject to potentially differing interpretations and various federal, state and local legislative and regulatory bodies may initiate investigations, 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 and our dealers do business, acquire customers and manage and use information collected from and about current and prospective customers and the costs associated therewith. We and our dealers strive to comply with all applicable laws and regulations related to interactions with residential and non-residential customers. It is possible, however, these requirements may be interpreted and applied in a manner inconsistent from one jurisdiction to another and may conflict with other rules or the practices of us or our dealers. Although we require our dealers to meet our consumer compliance requirements and provide regular training to help them do so, we do not control our dealers and their suppliers or their business practices. Accordingly, we cannot guarantee they follow ethical business practices such as fair wage practices and compliance with environmental, safety and other local laws. A lack of demonstrated compliance could lead us to seek alternative dealers or suppliers, which could increase our costs and have a negative effect on our business and prospects for growth and operations. Violation of labor or other laws by our dealers or suppliers or the divergence of a dealer or supplier's labor or other practices from those generally accepted as ethical in the U. S. or other markets in which we do or intend to do business could also attract negative publicity for us and harm our business. From time to time, we have been included in lawsuits brought by the customers of certain contractors in our networks, citing claims based on the sales practices of these contractors. While we have paid only minimal damages to date, we cannot be sure that a court of law would not determine that we are liable for the actions of the contractors in our networks or that a regulator or state attorney general's office may hold us accountable for violations of consumer protection or other applicable laws by the contractors in selling our loans, leases, and other products and services. Our risk mitigation processes may not be sufficient to mitigate financial harm to us associated with violations of applicable law by our contractors or ensure that any such contractor is able to satisfy its indemnification obligations to us. Any significant judgment against us could expose us to broader liabilities, a need to adjust our distribution channels for our products and services or otherwise change our business model, and could adversely impact our business. Violations of anti-bribery, anti-corruption and / or international trade laws to which we are subject could have a material adverse effect on our business operations, financial position and results of operations. We are subject to laws concerning our business operations and marketing activities in the U. S. and its territories where we conduct business. Further, we are subject to the U. S. Foreign Corrupt Practices Act, which generally prohibits companies and their intermediaries from making improper payments to non-U. S. government officials for the purpose of obtaining or retaining business. We currently only operate in the U. S. and its territories. However, in the future we may conduct business outside of the U. S. and operate in parts of the world that experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. In addition, due to the level of regulation in our industry, our entry into new jurisdictions through internal growth or acquisitions requires substantial government contact where norms can differ from U. S. standards. Additionally, we regularly interact with domestic municipalities and municipal-owned centralized electric utilities. We will consider our interactions with these domestic governmental bodies when designing our policies and procedures and conducting training designed to facilitate compliance with domestic and international anti-bribery laws. Although we believe these policies and procedures will mitigate the risk of violations of such laws, our employees, dealers and agents may take actions in violation of our policies and anti-bribery laws. Any such violation, even if prohibited by our policies, could subject us to criminal or civil penalties or other sanctions, which could have a material adverse effect on our business, financial condition, cash flows and reputation. Violations of export control and / or economic sanctions laws and regulations to which we are subject **and changes**

**to U. S. foreign trade policy** could have a material adverse effect on our business operations, financial position and results of operations, **and we cannot predict the impact to our business or the future development of such laws and regulations.** Our products may be subject to export control regulations, including the Export Administration Regulations administered by the U. S. Department of Commerce's Bureau of Industry and Security. We are also subject to foreign assets control and economic sanctions regulations administered by the U. S. Department of the Treasury's Office of Foreign Assets Control, which restrict or prohibit our ability to transact with certain foreign countries, individuals and entities. We currently only operate in the U. S. and its territories. However, export control regulations may restrict our ability to exchange technical information with foreign manufacturers and suppliers and economic sanctions regulations may restrict our ability to source from certain suppliers. In addition, in the future we may conduct business outside of the U. S. We will consider these scenarios when designing our policies and procedures and conducting training designed to facilitate compliance with U. S. export control and economic sanctions laws and regulations. Although we believe these policies and procedures will mitigate the risk of violations of such laws, our employees, dealers and agents may take actions in violation of our policies or these laws. Any such violation, **even if** **In addition, changes in U. S. foreign policy, including as a result of the new presidential administration, could lead to additional export barriers or economic sanctions being imposed against foreign jurisdictions. Any such change in U. S. foreign policy could restrict or prohibited-- prohibit our ability to transact with, source from or export to certain foreign countries, individuals and entities (including manufacturers and suppliers) or to conduct business outside of the U. S. We cannot predict what changes to U. S. trade policy will be made by the Trump Administration, a future presidential administration our- or Congress, including whether existing tariff policies will be maintained or modified or whether the entry into new bilateral or multilateral trade agreements will occur, nor can we predict the effects that any such changes would have on our business. Changes in U. S. trade policy have resulted and could subject us to criminal again result in adverse reactions from U. S. trading partners, including the adoption by such countries of responsive trade policies that may make it more difficult or costly or for civil penalties U. S. businesses to do business with suppliers and manufacturers of such countries. Changes to U. S. foreign trade policy that restrict or our ability to transact with other sanctions countries, which individuals or entities or to conduct business outside the U. S. could have a material materially and adverse adversely effect affect on our business, financial condition, cash flows results of operations and reputation liquidity.** Our business is subject to complex and evolving privacy and data protection laws. 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. Consumer personal privacy and data security have become significant issues and the subject of rapidly evolving regulation. Furthermore, federal, state and local government bodies or agencies have in the past adopted, and may in the future adopt, more laws and regulations affecting data privacy. For example, the state of California enacted the California Consumer Privacy Act of 2018 ("CCPA") and California voters approved the California Privacy Rights Act ("CPRA"). The CCPA creates individual privacy rights for consumers and places increased privacy and security obligations on entities handling the personal data of consumers or households. The CCPA went into effect in January 2020 and requires covered companies to provide new disclosures to California consumers, provides such consumers, business- to- business contacts and employees new ways to opt- out of certain sales of personal information, and allows for a new private right of action for data breaches. The CPRA modifies the CCPA and imposes additional data protection obligations on companies doing business in California, including additional consumer rights processes and opt outs for certain uses of sensitive data. The CPRA went into effect in January 2023 and established a new California privacy regulator. In addition, regulators, the CCPA and the CPRA, and similar frameworks, may significantly impact our business activities and require substantial compliance costs that adversely affect our business, operating results, prospects and financial condition. To date, we have not experienced substantial compliance costs in connection with fulfilling the requirements under applicable data privacy and protection frameworks. Although many of these legal frameworks currently impose similar obligations, interpretations and enforcement of these laws continues to evolve. Changes to interpretations or enforcement strategies could create a range of new compliance obligations, which could cause us to incur additional costs. If interpretations or enforcement of these laws deviate significantly in the future, those costs could become even more severe. Furthermore, if we expand to foreign markets we will be subject to additional privacy and data protection laws, such as the General Data Protection Regulation in the European Union. Any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable privacy and data protection laws, regulations and policies, could result in additional cost and liability to us, damage our reputation, inhibit sales and adversely affect our business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations and policies that are applicable to our business may limit the use and adoption of, and reduce the overall demand for, our solutions. If we are not able to adjust to changing laws, regulations and standards related to privacy or security, our business may be harmed. Moreover, as noted above, we are also subject to the possibility of security breaches, some of which may result in a violation of these laws. Finally, if we acquire a company that has violated or is not in compliance with applicable data privacy and protection laws (or contractual provisions), we may experience similar adverse consequences. Our business is subject to consumer protection laws. Such laws and regulatory enforcement policies and priorities are subject to change that may negatively impact our business. **We are subject to a constantly evolving consumer protection and consumer finance regulatory environment that is difficult to predict and may affect our business. We** must comply with various international, federal, state, and local regulatory regimes, including those applicable to consumer credit transactions, leases, and marketing activities. These laws and regulations, including those applicable to consumer loans and their origination, are subject to change and modification by statute, administrative rules and orders, and judicial interpretation. As a result of infrequent or sparse interpretations, ambiguities in these laws and regulations may create uncertainty with respect to what type of conduct is permitted or restricted under such laws and regulations. Regulators, such as the Federal Trade Commission and the Consumer Financial Protection Board, as well as state ~~attorney~~ **attorneys** ~~generals~~ **general** and agencies, also can initiate inquiries into market participants, which can lead to

investigations and, ultimately, enforcement actions. **For example As a result, state attorneys general of several states have filed lawsuits against other solar financing companies alleging (among other claims) that certain so- called" upfront fees" related to loan financing were not properly disclosed to consumers. These lawsuits are at an early stage and we cannot predict their outcome or how, if any of them** are subject to a constantly evolving consumer protection and consumer finance regulatory environment that is difficult **adversely determined** to predict and **may the other solar financing companies, they will** affect our **business practices**. The laws to which we may be subject to include federal and state laws that prohibit unfair, deceptive or abusive business acts or practices (such as the Federal Trade Commission Act and the Dodd- Frank Act), regulate lease and loan disclosures and terms and conditions (such as the Truth- in- Lending Act and the Consumer Leasing Act), prohibit discrimination (such as the Equal Credit Opportunity Act), and provide additional protections for certain customers in the military (such as the Servicemembers Civil Relief Act). Our business is or may also be subject to federal and state laws that regulate consumer credit report information, data privacy, debt collection, electronic fund transfers, service contracts, home improvement contracting and marketing activities (such as telemarketing, door- to- door sales, and e- mails). While we have developed policies and procedures designed to assist in compliance with these laws and regulations, no assurance is given that our compliance policies and procedures will be effective. Failure to comply with these laws and with regulatory requirements applicable to our business could subject us to damages, revocation of licenses, class action lawsuits, administrative enforcement actions, civil and criminal liability, settlements, limits on offering certain products and services, changes in business practices, increased compliance costs, indemnification obligations to our capital providers, loan repurchase obligations and reputational damage that may harm our business, results of operations and financial condition. The highly regulated environment in which our capital providers operate could have an adverse effect on our business. We and our capital providers are subject to federal and state supervision and regulation. Federal and state regulation of the banking industry, credit unions and other types of capital providers, along with tax and accounting laws, regulations, rules and standards, may limit their operations significantly and control the methods by which they conduct business and when and how they are able to deploy their capital. These requirements may constrain our ability to enter funding program agreements with new capital providers or the ability of our existing capital providers to continue originating loans through our platform. In choosing whether and how to conduct business with us, current and prospective capital providers can be expected to take into account the legal, regulatory and supervisory regimes that apply to them, including potential changes in the application or interpretation of regulatory standards, licensing requirements or supervisory expectations. Regulators may elect to alter standards or the interpretation of the standards used to measure regulatory compliance or to determine the adequacy of liquidity, certain risk management or other operational practices for financial services companies in a manner that impacts capital providers' ability to originate loans through our platform. An inability for an individual or type of capital provider to originate loans through our platform could have an adverse effect on our business, financial condition and cash flows. Our ability to use NOLs and tax credit carryforwards to offset future income taxes is subject to limitation and the amount of such carryforwards may be subject to challenge or reduction. As of December 31, **2023-2024**, we had approximately \$ 1. **4** billion of U. S. federal NOLs, a portion of which will begin to expire in **2035-2032**, and approximately \$ **309-313**. **73** million of U. S. federal tax credit carryforwards, which will begin to expire in 2033. Utilization of our NOLs and tax credit carryforwards depends on many factors, including having current or future taxable income, which cannot be assured. In addition, Section 382 of the Code generally imposes an annual limitation on the amount of NOLs that may be used to offset taxable income by a corporation that has undergone an "ownership change "(as determined under Section 382). An ownership change generally occurs if one or more stockholders (or groups of stockholders, including one or more groups of public stockholders) that are each deemed to own at least 5 % of our stock increase their ownership percentage by more than 50 percentage points over their lowest ownership percentage during a rolling three- year period. Similar rules under Section 383 of the Code impose an annual limitation on the amount of tax credit carryforwards, including carryforwards of Section 48 (a) ITCs **and Section 48E ITCs**, that may be used to offset U. S. federal income taxes. We experienced an "ownership change "in August 2020 as defined by Sections 382 and 383 of the Code, which limits our future ability to utilize NOLs and tax credits generated before the "ownership change ". However, these limitations do not prevent the use of our NOLs to offset certain built- in gains, including deemed gains with respect to our cost recovery deductions, recognized by us within five years after the ownership change with respect to assets held by us at the time of the ownership change, or the use of our tax credits to offset related tax liabilities, to the extent of our "net unrealized built- in gain "at the time of the ownership change. We have determined that, based upon the size of our net unrealized built- in gain at the time of our 2020 ownership change and our projected recognition of deemed built- in gains in the five years following the ownership change, there is no impact on the balances for deferred taxes or valuation allowance. Another "ownership change "could occur as a result of transactions that increase the ownership percentage of any of our 5 % stockholders during a rolling three- year period, including redemptions of our stock, sales of our stock by other deemed 5 % stockholders or issuances of stock by us, whether in additional public offerings or otherwise. If such another ownership change occurs, our ability to utilize NOLs and tax credit carryforwards may be subject to further limitation under Sections 382 and 383 of the Code. The application of the aforementioned limitations may cause U. S. federal income taxes to be paid by us earlier than they otherwise would be paid if such limitations were not in effect and could cause such NOLs and tax credit carryforwards to expire unused, in each case reducing or eliminating the benefit of such NOLs and tax credit carryforwards. To the extent we are not able to offset our future taxable income with our NOLs or offset future taxes with our tax credit carryforwards, this would adversely affect our operating results and cash flows if we have taxable income in the future. These same risks can arise in the context of state income and franchise tax given many states conform to federal law and rely on federal authority for determining state NOLs. Furthermore, the IRS or other tax authorities could successfully challenge one or more tax positions we take, such as the classification of assets under the income tax depreciation rules or the characterization of expenses for income tax purposes, which could reduce the NOLs we generate and / or are able to use. Our tax positions are subject to challenge by the relevant tax authority. Our

federal and state tax positions may be challenged by the relevant tax authority. The process and costs, including potential penalties for nonpayment of disputed amounts, of contesting such challenges, administratively or judicially, regardless of the merits, could be material. Future tax audits or challenges by tax authorities to our tax positions may result in a material increase in our estimated future income tax or other tax liabilities, which would negatively impact our financial condition. For example, many of our solar energy systems are located in states or territories that exempt such assets from state, territorial and local sales and property taxes. We believe these solar energy systems are and should continue to be exempt from certain state, territorial and local sales and property taxes; however, some of our solar energy systems are located in certain jurisdictions where the applicability of these exemptions to solar energy systems is the subject of ongoing litigation and possible legislative change or else the jurisdiction's law is uncertain regarding the effect on property and sales tax exemptions of certain complex business reorganizations undergone by us and our subsidiaries. As such, some tax authorities could challenge the availability of these exemptions. If our solar energy systems are determined to be subject to state, territorial or local sales or property taxes, it could negatively impact our financial condition. Our ability to provide our solar service offerings to home and business owners on an economically viable basis depends in part on our ability to finance these solar energy systems with tax equity investors that depend on particular tax and other benefits. Historically, there have been a limited number of investors that generate sufficient profits and possess the requisite financial sophistication to benefit from the tax benefits our tax equity vehicles provide, and a lack of depth in this market may limit our ability to complete such tax equity financing. Potential investors seeking tax-advantaged financing must remain satisfied the structures we offer qualify for the tax benefits associated with solar energy systems available to these investors, which depends both on the investors' assessment of tax law and the absence of any unfavorable interpretations of that law. Changes in existing law and interpretations by the IRS and the courts could reduce the willingness of tax equity investors to invest in tax equity vehicles associated with these solar energy system investments or cause these investors to require a larger allocation of customer payments. We are not certain this type of financing will continue to be available to us as the legal and regulatory landscape may shift in a manner that reduces or eliminates the attractiveness of such financing opportunities. For example, in July 2023, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation jointly released a Notice of Proposed Rulemaking to implement a set of rules known as "Basel III", which could substantially increase the capital requirements applicable to large banking organizations with investments in tax equity. These rules, which ~~take are proposed to go into~~ effect in 2025, could make tax equity investments significantly less attractive for large banks. Also, the Section 48E ITC percentage will begin to phase down for projects that begin construction after (a) 2033 or (b) if later, the first year after the year in which the U. S. Treasury Department determines greenhouse gas emissions from the production of electricity in the U. S. are no more than 25 % of 2022 levels. The IRA also added a new provision that allows taxpayers to transfer certain federal income tax credits that arise after 2022, such as the Section 48 (a) ITC, to third parties for cash. While we believe the ability to transfer the ITC is favorable to our business, it is unclear what effect the ability to transfer these tax credits will have on tax equity structures, although we expect the market for tax equity structures to continue for investors who will continue to value benefits that are not transferable, such as accelerated depreciation. **However, there is no guarantee transferable ITCs or other tax benefits will remain available to us on terms favorable to us, investors or at all.** Additionally, we may be unable to identify investors interested in engaging in this type of financing with us. As of December 31, ~~2023-2024~~, we have formed ~~31-36~~ tax equity vehicles to which investors such as banks and other large financial investors have committed to invest approximately \$ ~~2.4~~ ~~7.0~~ billion. The undrawn committed capital for these tax equity vehicles as of December 31, ~~2023-2024~~ is approximately \$ ~~439-537~~ ~~.4-3~~ million. We plan to continue to form new tax equity vehicles as long as existing ~~and future~~ tax law and regulations, **which we cannot predict and which are subject to change based on a variety of factors beyond our control**, make such financing attractive. See" — Risks Related to Regulations — Our business currently depends in part on the availability of rebates, tax credits and other financial incentives. **Changes in** ~~The expiration, elimination or reduction of~~ these rebates, credits or incentives or our ability to monetize them could adversely impact our business". The contractual terms in certain of our tax equity vehicle documents impose conditions on our ability to draw on financing commitments from the tax equity investors, including if an event occurs that could reasonably be expected to have a material adverse effect on the tax equity vehicle or on us. The terms and conditions of our tax equity vehicles can vary and may require us to alter our products, services or product mix. If we do not satisfy such conditions due to events related to our business or a specific tax equity vehicle or developments in our industry or otherwise, and as a result we are unable to draw on existing commitments, it could have a material adverse effect on our business, financial condition, results of operations and liquidity. In addition to our inability to draw on the investors' commitments, we may incur financial penalties for non- performance (including delays in the installation process and interconnection to the power grid of solar energy systems and other factors). Based on the terms of the tax equity vehicle agreements, we will either reimburse a portion of the tax equity investor's capital or pay the tax equity investor a non-performance fee. Under the terms of certain of our tax equity vehicles, we may be required to make payments to the tax equity investors if certain tax benefits allocated to such tax equity investors are not realized as expected. Our financial condition may be adversely impacted if a tax equity vehicle is required to make any tax- related payments. Our tax equity vehicles require that, prior to a date that is at least five years after the last project was placed in service, the tax equity investor receives substantially all the non- cash value attributable to the solar energy systems; however, we typically receive a majority of the cash distributions. In the event the tax equity investor has tax liability as a result of its investment and the cash distributions payable to the tax equity investor are not sufficient to pay such tax liability, the amount of distributions payable to us may be reduced. The amounts of potential tax liability (and the potential for a reduced distribution to us) depend on the tax benefits that accrue to such investors from the tax equity vehicles' activities and may be impacted by changes in tax law. **See" Changes in tax law could adversely affect our business"**. Additionally, we may have payment obligations to our tax equity investors under indemnity obligations contained in those financings. See" — If the IRS or the U. S. Treasury Department makes a determination

that the fair market value of our solar energy systems is materially lower than what we have reported in our tax equity vehicles' tax returns, we may have to pay significant amounts to our tax equity vehicles, our tax equity investors, tax credit buyers and / or the U. S. government. Such determinations could have a material adverse effect on our business and financial condition" and" — If our solar energy systems either cease to be qualifying property or undergo certain changes in ownership within five years of the applicable placed in service date, we may have to pay significant amounts to our tax equity vehicles, our tax equity investors, tax credit buyers and / or the U. S. government. Such recapture could have a material adverse effect on our business and financial condition". Due to uncertainties associated with estimating the timing and amounts of cash distributions and allocations of tax benefits to such investors, we cannot determine the potential impact on our cash flows under current or future arrangements. Any significant reductions in the cash we expect to receive from these structures **, including as a result of changes in U. S. tax policy resulting from the new presidential administration,** could adversely affect our financial condition. Changes in tax law could adversely affect our business. U. S. tax law is always subject to change. For example, in August 2022, the U. S. enacted the IRA, which contains significant changes to U. S. tax law including, but not limited to, a corporate minimum tax and 1 % excise tax on stock repurchases. Other potential changes to the Code include changes to the U. S. corporate income tax rate and provisions limiting or eliminating various deductions, credits or tax preferences. Interpretations of the Code and regulations promulgated by the IRS are likewise subject to change **, including as a result of action by the new presidential administration .** **As Any future change to the substance, interpretation or enforcement of U. S. tax law could result in adverse consequences to us, such as the limitation, modification or elimination of deductions, credits and tax preferences. Even if such deductions, credits and tax preferences remain available to us, there can be no assurance we will be able to use or benefit from such availability. In addition, as** states elect to conform (or else have rolling conformity) to the Code, **such** interpretations **of the Code** and **related** regulations (including those promulgated by state authorities) could likewise affect our state income and franchise tax obligations. Any future changes in tax law, including changes to U. S. federal, state, territorial or local tax law, could affect our tax position **or ability to claim certain deductions, credits and tax preferences, which could** adversely impact our business **. See" Risk Factors — Risks Related to Regulations — Our business currently depends in part on the availability of rebates, tax credits and other financial incentives. Changes in these rebates, credits or incentives or our ability to monetize them could adversely impact our business"**. If the IRS or the U. S. Treasury Department makes a determination that the fair market value of our solar energy systems is materially lower than what we have reported in our tax equity vehicles' tax returns, we may have to pay significant amounts to our tax equity vehicles, our tax equity investors, tax credit buyers and / or the U. S. government. Such determinations could have a material adverse effect on our business and financial condition. The basis of our solar energy systems we report in our tax equity vehicles' tax returns to claim the Section 48 (a) ITC or the Section 48E ITC is based on the appraised fair market value of our solar energy systems. The IRS continues to scrutinize fair market value determinations industry- wide. We are not aware of any IRS audits or results of audits related to our appraisals or fair market value determinations of any of our tax equity vehicles. If, as part of an examination, the IRS were to review the fair market value we used to establish our basis for claiming Section 48 (a) ITCs or Section 48E ITCs and successfully assert the Section 48 (a) ITCs or the Section 48E ITCs previously claimed should be reduced, we would owe certain of our tax equity vehicles, our tax equity investors or a tax credit buyer an amount equal to the disallowed Section 48 (a) ITCs or Section 48E ITCs attributable to each investor' s share of the difference between the fair market value used to establish our basis for claiming Section 48 (a) ITCs or Section 48E ITCs and the adjusted fair market value determined by the IRS, plus any costs and expenses associated with a challenge to that fair market value, plus a gross up to pay for additional taxes. We could also be subject to tax liabilities, including interest and penalties, based on our share of claimed Section 48 (a) ITCs or Section 48E ITCs. To date, we have not been required to make such payments under any of our tax equity vehicles or a tax credit purchase and sale agreement. We have obtained insurance coverage with respect to certain losses that may be incurred should the Section 48 (a) ITCs or Section 48E ITCs previously claimed with respect to our tax equity vehicles be reduced. Any such losses could be outside the scope of these insurance policies or exceed insurance policy limits and we could incur unforeseen costs that could harm our business and financial condition. If our solar energy systems either cease to be qualifying property or undergo certain changes in ownership within five years of the applicable placed in service date, we may have to pay significant amounts to our tax equity vehicles, our tax equity investors, tax credit buyers and / or the U. S. government. Such recapture could have a material adverse effect on our business and financial condition. The Section 48 (a) ITCs and the Section 48E ITCs are subject to recapture under the Code if a solar energy system either ceases to be qualifying property or undergoes certain changes in ownership within five years of its placed in service date. The amount of Section 48 (a) ITCs or Section 48E ITCs subject to recapture decreases by 20 % of the claimed amount on each anniversary of a solar energy system' s placed in service date **. Recapture may occur under certain circumstances in connection with a sale of the direct or indirect equity of any of our tax equity vehicles, including those that serve as collateral for our debt financing arrangements**. If such a recapture event were to occur, we could owe certain of our tax equity vehicles, our tax equity investors or a tax credit buyer an amount equal to such vehicles' or investors' or buyers' share of the Section 48 (a) ITCs or the Section 48E ITCs that were recaptured. We could also be subject to tax liabilities, including interest and penalties, based on our share of recaptured Section 48 (a) ITCs or Section 48E ITCs. Any such recapture could have a material adverse effect on our business and financial condition. Risks Related to Our Common Stock We do not intend to pay, and our credit facilities currently prohibit us from paying, cash dividends on our common stock and, consequently, your only opportunity to achieve a return on your investment is if the price of our common stock appreciates. We do not plan to declare dividends on shares of our common stock in the foreseeable future. Additionally, we are currently prohibited from making any cash dividends pursuant to the terms of certain of our credit facilities. Consequently, your only opportunity to achieve a return on your investment in us will be if you sell your common stock at a price greater than you paid for it. There is no guarantee the price of our common stock that will prevail in the market will ever exceed the price you paid for it. Ownership of our common stock by current

stockholders is expected to remain significant. Due to their ownership percentages, certain key stockholders may have the ability to exercise significant influence over matters submitted to our stockholders for approval. This concentration of ownership may also have the effect of delaying or preventing a change of control of our company or discouraging others from making tender offers for our shares, which could prevent our stockholders from receiving an offer premium for their shares. So long as the key stockholders continue to own a significant amount of our common stock, they will continue to be able to strongly influence all matters requiring stockholder approval, regardless of whether or not other stockholders believe a potential transaction is in their own best interests. In any of these matters, the interests of the key stockholders may differ or conflict with the interests of our other stockholders. In addition, certain of the key stockholders may, from time to time, acquire interests in businesses that directly or indirectly compete with our business, as well as businesses that are significant existing or potential customers. Certain of the key stockholders may acquire or seek to acquire assets we seek to acquire and, as a result, those acquisition opportunities may not be available to us or may be more expensive for us to pursue. The price of our common stock is volatile and may decline in value. The market price of our common stock may be influenced by many factors, some of which are beyond our control, including: • public reaction to our press releases, announcements and filings with the SEC; • our operating and financial performance; • fluctuations in broader securities market prices and volumes, particularly among securities of technology and solar companies; • changes in market valuations of similar companies; • departures of key personnel; • commencement of or involvement in litigation; • variations in our quarterly results of operations or those of other technology and solar companies; • changes in general economic conditions, financial markets or the technology and solar industries; • announcements by us or our competitors of significant acquisitions or other transactions; • changes in accounting standards, policies, guidance, interpretations or principles; • speculation in the press or investment community; • actions by our stockholders; • the failure of securities analysts to cover our common stock or changes in their recommendations and estimates of our financial performance; • future sales of our common stock, including by large stockholders, or perceptions that such sales might occur; and • the other factors described in these "Risk Factors". If we fail to comply with the reporting requirements under the Exchange Act or maintain adequate internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act, it could result in late or non-compliant filings or inaccurate financial reporting and have a negative impact on the price of our common stock or our business. Effective internal controls are necessary for us to provide timely, reliable financial reporting and prevent fraud. Our accounting predecessor was not a public company and was not required to comply with the reporting requirements of the Exchange Act, or with the standards adopted by the Public Company Accounting Oversight Board in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act regarding internal controls over financial reporting. As a public company, we are required to report our financial results on the timeline and in the form prescribed by the Exchange Act and to evaluate and report on our internal control over financial reporting. This requires management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal control over financial reporting. We are required to disclose material changes made in our internal controls and procedures on a quarterly basis and annually review and report on, and our independent registered public accounting firm must attest to, the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act. Material weaknesses and significant deficiencies may exist when we report on the effectiveness of our internal control over financial reporting as required by reporting requirements under Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act. The process of documenting and further developing our internal controls to become compliant with Section 404 has taken a significant amount of time and effort to complete and required significant attention of management. We are continuing to improve our internal controls over financial reporting. We have expended, and anticipate we will continue to expend, significant resources in order to maintain and enhance existing effective disclosure controls and procedures and internal controls over financial reporting. Our current controls and any new controls we develop may become inadequate because of changes in conditions in our business. We may experience higher than anticipated operating expenses, as well as increased independent auditor and other fees and expenses during the implementation of these changes and thereafter. Certain of our directors have significant duties with, and spend significant time serving, entities that may compete with us in seeking business opportunities and, accordingly, may have conflicts of interest in allocating time or pursuing business opportunities. Certain of our directors, who are responsible for managing the direction of our operations and acquisition activities, hold positions of responsibility with other entities whose businesses are similar to our business. The existing positions held by these directors may give rise to fiduciary or other duties in conflict with the duties they owe to us. These directors may become aware of business opportunities that may be appropriate for presentation to us as well as to the other entities with which they are or may become affiliated. Due to these existing and potential future affiliations, they may present potential business opportunities to other entities prior to presenting them to us, which could cause additional conflicts of interest. They may also decide certain opportunities are more appropriate for other entities with which they are affiliated and as a result, they may elect not to present those opportunities to us. These conflicts may not be resolved in our favor. Conflicts of interest could arise in the future between us, on the one hand, and any of our stockholders and its affiliates and affiliated funds and its and their current and future portfolio companies on the other hand, concerning, among other things, potential competitive business activities or business opportunities. Conflicts of interest could arise in the future between us, on the one hand, and any of our stockholders and its affiliates and affiliated funds and its and their current and future portfolio companies, on the other hand, concerning, among other things, potential competitive business activities or business opportunities. For example, certain of our existing investors and their affiliated funds may invest in companies that operate in the traditional energy industry and solar and other renewable industries. As a result, our existing investors and their affiliates' and affiliated funds' current and future portfolio companies they control may now, or in the future, directly or indirectly, compete with us for investment or business opportunities. Our governing documents provide that our stockholders and their affiliates and affiliated funds are not restricted from owning assets or engaging in businesses that compete directly or indirectly with us and will not have any duty to refrain

from engaging, directly or indirectly, in the same or similar business activities or lines of business as us, including those business activities or lines of business deemed to be competing with us, or doing business with any of our clients, customers or vendors. In particular, subject to the limitations of applicable law, our certificate of incorporation, among other things: • permits stockholders or their affiliates and affiliated funds and our non- employee directors to conduct business that competes with us and to make investments in any kind of property in which we may make investments; and • provides that if any of our stockholders or any of its affiliates who is also one of our non- employee directors becomes aware of a potential business opportunity, transaction or other matter, they will have no duty to communicate or offer that opportunity to us. Our stockholders or their affiliates or affiliated funds may become aware, from time to time, of certain business opportunities (such as acquisition opportunities) and may direct such opportunities to other businesses in which they have invested, in which case we may not become aware of or otherwise have the ability to pursue such opportunity. Further, such businesses may choose to compete with us for these opportunities, possibly causing these opportunities to not be available to us or causing them to be more expensive for us to pursue. In addition, our stockholders or their affiliates and affiliated funds may dispose of their interests in energy infrastructure or other renewable companies or other assets in the future, without any obligation to offer us the opportunity to purchase any of those assets. As a result, our renouncing our interest and expectancy in any business opportunity that may be from time to time presented to any of our stockholders or their affiliates and affiliated funds could adversely impact our business or prospects if attractive business opportunities are procured by such parties for their own benefit rather than for ours. In any of these matters, the interests of our existing stockholders and their affiliates and affiliated funds may differ or conflict with the interests of our other shareholders. Any actual or perceived conflicts of interest with respect to the foregoing could have an adverse impact on the trading price of our common stock. Provisions of our charter documents and Delaware law may inhibit a takeover, which could limit the price investors might be willing to pay in the future for our common stock. Our charter documents authorize our Board to issue preferred stock without stockholder approval and, relatedly, may have the effect of delaying or preventing an acquisition of us or a merger in which we are not the surviving company and may otherwise prevent or slow changes in our Board and management. In addition, some provisions of our certificate of incorporation, amended and restated bylaws and stockholders' agreement could make it more difficult for a third party to acquire control of us, even if the change of control would be beneficial to our stockholders, including: • limitations on changes of control and business combinations; • limitations on the removal of directors; • limitations on the ability of our stockholders to call special meetings; • establishing advance notice provisions for stockholder proposals and nominations for elections to the Board to be acted upon at meetings of stockholders; • providing that the Board is expressly authorized to adopt, or to alter or repeal our bylaws; and • establishing advance notice and certain information requirements for nominations for election to our Board or for proposing matters that can be acted upon by stockholders at stockholder meetings. These provisions could discourage an acquisition of us or other change in control transactions and thereby negatively affect the price that investors might be willing to pay in the future for our common stock. Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware and, to the extent enforceable, the federal district courts of the United States of America as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents. Our amended and restated certificate of organization provides that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (a) any derivative action or proceeding brought on our or our stockholders' behalf, (b) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, employees, agents and stockholders to us or our stockholders, (c) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws, (d) any action as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware, or (e) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware. Our amended and restated certificate of incorporation also provides that, to the fullest extent permitted by applicable law, the federal district courts of the United States are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, subject to and contingent upon a final adjudication in the State of Delaware of the enforceability of such exclusive forum provision. Notwithstanding the foregoing, the exclusive forum provision does not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Any person or entity purchasing or otherwise acquiring an interest in any shares of our capital stock shall be deemed to have notice of and to have consented to the forum provisions in our amended and restated certificate of incorporation. These choice- of- forum provisions may limit a stockholder' s ability to bring a claim in a judicial forum that he, she or it believes to be favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits. Alternatively, if a court were to find these provisions of our amended and restated certificate of incorporation inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and our Board. For example, the Court of Chancery of the State of Delaware recently determined a provision stating that U. S. federal district courts are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable. Future sales of our common stock in the public market, or the perception that such sales may occur, could reduce our stock price, and any additional capital raised by us through the sale of equity or convertible securities may dilute your ownership in us. We may raise additional capital through the issuance of equity or debt in the future. In that event, the ownership of our existing stockholders would be diluted and the value of the stockholders' equity in common stock could be reduced. If we raise more equity capital from the sale of common stock, institutional or other investors may negotiate terms more favorable than the current prices of our common stock. If we issue debt securities, the holders of the debt would have a

claim to our assets that would be prior to the rights of stockholders until the debt is paid. Interest on these debt securities would increase costs and could negatively impact operating results. In accordance with Delaware law and the provisions of our charter documents, we may issue preferred stock that ranks senior in right of dividends, liquidation or voting to our common stock. The issuance by us of such preferred stock may (a) reduce or eliminate the amount of cash available for payment of dividends to our holders of common stock, (b) diminish the relative voting strength of the total shares of common stock outstanding as a class, or (c) subordinate the claims of our holders of common stock to our assets in the event of our liquidation. Our amended and restated Certificate of Incorporation does not provide stockholders the pre-emptive right to buy shares from us. As a result, stockholders will not have the automatic ability to avoid dilution in their percentage ownership of us. We cannot predict the size of future issuances of our common stock or securities convertible into common stock or the effect, if any, that future issuances and sales of shares of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices of our common stock. The capped call transactions may affect the value of our common stock. 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. In connection with establishing their initial hedges of the capped call transactions, we expect the option counterparties or their respective affiliates to purchase shares of our common stock and / or enter into various derivative transactions with respect to our common stock concurrently with or shortly after the pricing of the Convertible Notes. This activity could increase (or reduce the size of any decrease in) the market price of our common stock at that time. In addition, 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 0.25% convertible senior notes (and are likely to do so during the observation period for conversions of the 0.25% convertible senior notes following September 1, 2026 or following any repurchase of the 0.25% convertible senior notes by us and during the observation period for conversions of the 2.625% convertible senior notes following November 15, 2027 or following any repurchase of the 2.625% convertible senior 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. We are exposed to the credit risk of our customers and payment delinquencies on our accounts receivable. Because we have long-term, contractual relationships with our customers which require them to make monthly payments throughout the term of their contract, we are subject to the credit risk of our customers and screen our customers based upon their credit rating in an attempt to mitigate the risk of customer default. As of December 31, 2023-2024, the average FICO® score of our customers for whom we have a FICO® score was 741-742 at the time of signing the customer agreement. The accuracy of independent third-party information provided to the credit reporting agency cannot be verified. A FICO® score purports only to be a measurement of the relative degree of risk a borrower represents to a lender, i. e., a borrower with a higher score may be less likely to default in payment than a borrower with a lower score. As of December 31, 2023-2024, approximately 0.96% of our customers were in default under their customer agreements. However, as we grow our business, the risk of customer defaults may increase as credit scores are dynamic and may deteriorate over a 25-year period. During an economic downturn or during periods of rising inflation and interest rates, the risk of customer defaults may increase. In addition, our customers may assign their solar service agreements to other customers who have lower credit scores or we may enter into new solar service agreements in the future with customers who have lower credit scores than our current customers. In addition, future developments, including competition from other renewables, could decrease the attractiveness of our current contracts. Although our solar service agreements grant us the ability to terminate the agreement with the customer and repossess the defaulting customers' solar energy system in certain circumstances, enforcement of these rights under the solar service agreement may be difficult, expensive and time-consuming. Non-solar customer agreements may experience higher delinquency and default rates than our other customer agreements primarily due to the nature of the product and shorter tenor. If we experience increased customer defaults or delinquencies, our revenue, cash distributions from subsidiaries 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 are not able to insure against all potential risks and we may become subject to higher insurance premiums. We are exposed to numerous risks inherent in the operation of solar energy systems and energy storage systems, including equipment failure, manufacturing defects, natural disasters such as hurricanes, freezes, fires and earthquakes, terrorist attacks, sabotage, vandalism and environmental risks. Furthermore For example, components of our solar energy systems and energy storage systems, such as panels, inverters and batteries, could be damaged by severe weather or natural disasters, such as tsunamis, hurricanes, fires, tornadoes, hailstorms or lightning. If our solar energy systems or energy storage systems are damaged in the event of a natural disaster or other event beyond our control, losses could be outside the scope of insurance policies or exceed insurance policy limits and we could incur unforeseen costs that could harm our business and financial condition. We may also incur significant additional costs in taking actions in preparation for, or in reaction to, such events. Our insurance policies also cover legal and contractual liabilities arising out of bodily injury, personal injury or property damage to third parties and are subject to policy limits. We also maintain coverage for physical damage to our solar energy assets. However, such policies do not cover all potential losses and coverage is not always available in the insurance market on commercially reasonable terms. In addition, we may have disagreements with our insurers on the amount of our recoverable damages and the insurance proceeds received for any loss of, or any damage to, any of our assets may be claimed by lenders under our financing arrangements or otherwise may not be sufficient to restore the loss or damage without a negative impact on

our results of operations. Furthermore, the receipt of insurance proceeds may be delayed, requiring us to use cash or incur financing costs in the interim. To the extent we experience covered losses under our insurance policies, the limit of our coverage for potential losses may be decreased or the insurance rates we have to pay increased. Furthermore, the losses insured through commercial insurance are subject to the credit risk of those insurance companies. While we believe our commercial insurance providers are currently creditworthy, we cannot assure you such insurance companies will remain so in the future. We may not be able to maintain or obtain insurance of the type and amount we desire at reasonable rates. The insurance coverage we do obtain may contain large deductibles or fail to cover certain risks or all potential losses. In addition, our insurance policies are subject to annual review by our insurers and may not be renewed on similar or favorable terms, including coverage, deductibles or premiums, or at all. If a significant accident or event occurs for which we are not fully insured or we suffer losses due to one or more of our insurance carriers defaulting on their obligations or contesting their coverage obligations, it could have a material adverse effect on our business, financial condition and results of operations. 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. In particular, we are dependent on the services of our founder and CEO, William J. Berger. We also depend on our ability to retain and motivate key employees and attract qualified new employees . **We have experienced recent changes to our finance organization, including the departure of our prior Chief Financial Officer and the hiring of our new Chief Financial Officer, which could adversely affect our ability to execute our business plan if not properly managed** . None of our key executives are bound by employment agreements for any specific term. We may be unable to replace key members of our management team and key employees if we lose their services. Integrating new employees into our 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. Our inability to protect our intellectual property could adversely affect our business. We may also be subject to intellectual property rights claims by third parties, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies. Any failure to protect our proprietary rights adequately could result in our competitors offering similar solar technology or energy storage services more quickly than anticipated, potentially resulting in the loss of some of our competitive advantage and a decrease in our revenue that would adversely affect our business prospects, financial condition and operating results. Our success depends, at least in part, on our ability to protect our core technology and intellectual property. We rely on intellectual property laws, primarily a combination of copyright and trade secret laws in the U. S., as well as license agreements and other contractual provisions, to protect our proprietary technology and brand. We cannot be certain our agreements and other contractual provisions will not be breached, including a breach involving the use or disclosure of our trade secrets or know- how, or that adequate remedies will be available in the event of any breach. In addition, our trade secrets may otherwise become known or lose trade secret protection. We cannot be certain our products and our business do not or will not violate the intellectual property rights of a third party. Third parties, including our competitors, may own patents or other intellectual property rights that cover aspects of our technology or business methods. Such parties may claim we have misappropriated, misused, violated or infringed third- party intellectual property rights and if we gain greater recognition in the market, we face a higher risk of being the subject of claims we have violated others' intellectual property rights. Any claim we violated a third party' s intellectual property rights, whether with or without merit, could be time- consuming, expensive to settle or litigate and could divert our management' s attention and other resources, all of which could adversely affect our business, results of operations, financial condition and cash flows. If we do not successfully settle or defend an intellectual property claim, we could be liable for significant monetary damages and could be prohibited from continuing to use certain technology, business methods, content or brands. To avoid a prohibition, we could seek a license from third parties, which could require us to pay significant royalties, increasing our operating expenses. If a license is not available at all or not available on commercially reasonable terms, we may be required to develop or license a non- violating alternative, either of which could adversely affect our business, results of operations, financial condition and cash flows. We currently use or plan to use software that is licensed under" open source", " free" or other similar licenses that may subject us to liability or require us to release the source code of our proprietary software to the public. We currently use open source software that is licensed under" 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. If we fail to comply with these licenses, we may be subject to certain conditions, including requirements that we offer our services that incorporate the open source software for no cost, we make available source code for modifications or derivative works we create based upon incorporating or using the open source software and we license such modifications or alterations under the terms of the particular open source license. We do not plan to integrate our proprietary software with this open source software in ways that would require the release of the source code of our proprietary software to the public. However, our use and distribution of open source software may entail greater risks than use of third- party commercial software. Our authorized developers may contribute to this open source software community but they will be prohibited from providing any proprietary process or proprietarily developed source code of ours. Open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. 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 operating results. In addition, if the license terms for open source software that

we use change, we may be forced to re-engineer our technology platform or incur additional costs. Although we monitor our use of open source software to avoid subjecting our technology platform to unintended conditions, few courts have interpreted open source licenses and there is a risk these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our business. We cannot guarantee we have incorporated open source software in our software in a manner that will not subject us to liability or in a manner consistent with our current policies and procedures. We may become involved in the future in legal proceedings that could adversely affect our business. We may, from time to time, be involved in litigation and claims, such as those related to employees, customers, our dealers or other third parties with whom we contract, including consumer claims and class action lawsuits. In the ordinary course of business, we have disputes with dealers and customers. In general, litigation claims or regulatory proceedings can be expensive and time consuming to bring or defend against, may result in the diversion of management attention and resources from our business and business goals and could result in injunctions or other equitable relief, settlements, penalties, fines or damages that could significantly affect our results of operations and the conduct of our business. It is impossible to predict with certainty whether any resulting liability would have a material adverse effect on our financial position, results of operations or cash flows. Our actual financial results may differ materially from any guidance we may publish from time to time. We 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 would be based upon a number of assumptions with respect to future business decisions (some of which may change) and estimates, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies (many of which are beyond our control). Guidance is necessarily speculative in nature and it can be expected some or all the assumptions that inform such guidance will not materialize or will vary significantly from actual results. Our ability to meet any forward-looking guidance is impacted by a number of factors including, but not limited to, the number of our solar energy systems sold versus leased, changes in installation costs, the availability of additional financing on acceptable terms **(including to refinance our existing indebtedness)**, 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, inverters, batteries and other raw materials, as well as the other risks to our business described in this "Risk Factors" 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 the reliability of any forecasted financial data diminishes the farther into the future 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. If we are unable to make acquisitions on economically acceptable terms, our future growth and operations could be limited, and any acquisitions we may make may reduce, rather than increase, our cash flows. We may make acquisitions of solar energy systems, energy storage systems and related businesses and joint ventures. The consummation and timing of any future acquisitions will depend upon, among other things, whether we are able to:

- identify attractive acquisition candidates;
- negotiate acceptable purchase agreements;
- obtain any required governmental or third party consents;
- obtain financing for these acquisitions on economically acceptable terms, which may be more difficult at times when the capital markets are less accessible; and
- outbid any competing bidders.

Additionally, any acquisition involves potential risks, including, among other things:

- mistaken assumptions about assets, revenues and costs of the acquired company, including synergies and potential growth;
- an inability to secure adequate customer commitments to use the acquired systems or facilities;
- an inability to successfully integrate the assets or businesses we acquire;
- coordinating geographically disparate organizations, systems and facilities;
- the assumption of unknown liabilities for which we are not indemnified or for which our indemnity is inadequate;
- mistaken assumptions about the acquired company's suppliers or dealers or other vendors;
- the diversion of management's and employees' attention from other business concerns;
- unforeseen difficulties operating in new geographic areas and business lines;
- customer or key employee losses at the acquired business; and
- poor quality assets or installation.

If we consummate any future acquisitions, our capitalization, results of operations, future growth and profitability may change significantly and our stockholders will not have the opportunity to evaluate the economic, financial and other relevant information we will consider in deciding to engage in these future acquisitions, which may not improve our results of operations or cash flow to the extent we projected. Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties, could adversely impact our business, financial condition and results of operations. Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. We maintain deposits at financial institutions as a part of doing business that could be at risk if another similar event were to occur. Our ongoing cash management strategy is to maintain the majority of our deposit accounts in large "money center" financial institutions, but there can be no assurance this strategy will be successful. Increasing concerns regarding the U. S. or international financial systems, including bank failures and bailouts, and their potential broader effects and potential systemic risk on the banking sector generally, may adversely affect our access to capital. Any decline in available funding or access to our cash and liquidity resources could, among other risks, limit our ability to meet our capital needs and fund future growth and operations or fulfill our other obligations, or result in breaches of our financial and / or contractual obligations. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on our business, financial condition and results of operations.