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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2024
OR

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

For the transition period from _____ to _____
Commission File Number: 001-38995

Sunnova Energy International Inc.

(Exact name of registrant as specified in its charter)

Delaware		**30-1192746**
(State or other jurisdiction of incorporation or organization)		**(I.R.S. Employer Identification Number)**

20 East Greenway Plaza, Suite 540
Houston, Texas 77046
(Address, including zip code, of principal executive offices)

(281) 892-1588
(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $0.0001 par value per share	NOVA	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☒

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

The aggregate market value of the common stock held by non-affiliates of the Registrant, based on the closing price of such shares of common stock of $5.58 as reported on the New York Stock Exchange on June 30, 2024 (the last business day of the Registrant's most recently completed second fiscal quarter), was approximately $681.1 million.

The registrant had 125,081,959 shares of common stock outstanding as of February 26, 2025.

Portions of the information called for by Part III of this Form 10-K are hereby incorporated by reference from either the definitive Proxy Statement for our annual meeting of stockholders or an amendment to this Form 10-K, either of which will be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2024.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Unless the context otherwise requires, the terms "Sunnova", "the Company", "we", "us" and "our" refer to Sunnova Energy International Inc. ("SEI") and its consolidated subsidiaries. Forward-looking statements generally relate to future events or Sunnova's future financial or operating performance. Actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. In some cases, you can identify these statements because they contain words such as "anticipate", "believe", "contemplate", "continue", "could", "estimate", "expect", "future", "goal", "intend", "likely", "may", "plan", "potential", "predict", "project", "seek", "should", "target", "will" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this report include, but are not limited to, statements about:

- our ability to continue as a going concern, our need and ability to obtain financing, access our existing financing availability, execute liability management transactions or otherwise meet our liquidity needs, our ability to obtain waivers or amendments under our financing agreements if needed, comply with covenants or cure any defaults and our ability to repay our obligations as they come due;
- the availability of tax rebates, credits, incentives and tax-related insurance, including changes to the rates of, or expiration of, federal tax credits and the availability of related safe harbors;
- federal, state and local statutes, regulations and policies, including the impact of changes in government incentives;
- determinations of the Internal Revenue Service ("IRS") of the fair market value of our solar energy systems;
- the price of centralized utility-generated electricity and electricity from other sources and technologies;
- technical and capacity limitations imposed by operators of the power grid;
- our expectations concerning relationships with third parties, including the attraction, retention, performance and continued existence of our dealers;
- our ability to manage our supply chains and distribution channels and the impact of natural disasters and other events beyond our control;
- our ability to retain or upgrade current customers, further penetrate existing markets or expand into new markets;
- our investment in our platform and new product offerings and the demand for and expected benefits of our platform and product offerings;
- the ability of our solar energy systems, energy storage systems or other product offerings to operate or deliver energy for any reason, including if interconnection or transmission facilities on which we rely become unavailable;
- our ability to maintain our brand and protect our intellectual property and customer data;
- our ability to manage the cost of solar energy systems, energy storage systems and our service offerings;
- our expectations regarding warranties and insurance, and the willingness of and ability of our dealers and suppliers to fulfill their respective warranty and other contractual obligations;
- our expectations regarding litigation and administrative proceedings; and
- our ability to renew or replace expiring, canceled or terminated customer agreements at favorable rates or on a long-term basis.

Our actual results and timing of these events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including but not limited to those discussed under "*Risk Factors*" and elsewhere in this Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Annual Report on Form 10-K may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Annual Report on Form 10-K to conform these statements to actual results or to changes in our expectations, except as required by law.

Summary of Risk Factors

The risk factors detailed in Item 1A entitled "*Risk Factors*" in this Annual Report on Form 10-K, are the risks we believe are material to our investors and a reader should carefully consider them. The following is a summary listing certain of the risk factors detailed in Item 1A:

Risks Related to Our Financing Activities

- We need to raise substantial capital in the future. If 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.
- We have a significant amount of 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 obligations.
- We currently do not have the resources to settle conversions of the .025% senior convertible notes and 2.625% SEI senior convertible notes (the "Convertible Notes") in cash when they become due in December 2026 and February 2028, respectively, or to repurchase the Convertible Notes upon a fundamental change or repay the 5.875% senior notes and 11.75% senior notes (the "Senior Notes") when they become due in September 2026 and October 2028, respectively, and we may not have the ability to raise the funds necessary to do so.
- Volatility and continued increases in interest rates would raise our cost of capital and may adversely impact our business.

Risks Related to Our Business

- Historically, we have incurred operating and net losses and have identified conditions or events that raise substantial doubt about our ability to continue as a going concern.
- Our growth and operations strategy depends on the continued origination of customer agreements by us and our dealers.
- 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.
- 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 may be unsuccessful in introducing new service and product offerings, including our distributed energy storage services and energy storage management systems.
- Our business is concentrated in certain markets, putting us at risk of region-specific disruptions.
- Certain of our solar energy systems are located in, and we conduct business in, Puerto Rico. The ongoing Puerto Rico Electric Power Authority ("PREPA") bankruptcy, the damage caused by hurricanes and a series of earthquakes that affected the island in December 2019 and early 2020 create periods of uncertainty that may adversely impact our operations.
- 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.
- 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.
- 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.
- A termination of our subsidiaries as manager or servicer under our financing arrangements could have an adverse effect on our business and liquidity.
- Pandemics and other health crises could affect our business, financial condition and results of operations in many respects.

Risks Related to the Solar Industry

- 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.
- 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.
- 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.
- 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, cancelations and loss of customers.
- 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.
- Terrorist or cyberattacks against centralized utilities could adversely affect our business.

- We face competition from centralized electric utilities, retail electric providers, independent power producers and renewable energy companies.
- Developments in technology or improvements in distributed solar energy generation and related technologies or components may materially adversely affect demand for our offerings.

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.
- 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.
- 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.
- 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.
- Our business depends in part on the regulatory treatment of third-party owned solar energy systems.
- 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.
- 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 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.
- 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.
- The highly regulated environment in which our capital providers operate could have an adverse effect on our business.

Risks Related to Taxation

- Our ability to use net operating loss carryforwards ("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.
- Changes in tax law could adversely affect 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.
- 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.

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.
- Ownership of our common stock by current stockholders is expected to remain significant.
- The price of our common stock is volatile and may decline in value.
- 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.

General Risk Factors

- We are exposed to the credit risk of our customers and payment delinquencies on our accounts receivable.
- Our actual financial results may differ materially from any guidance we may publish from time to time.
- 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.
- 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.

PART I

Item 1. Business.

Mission

To power energy independence.

Overview

We are an industry-leading energy services company focused on making clean energy more accessible, reliable and affordable for homeowners and businesses, serving over 441,000 customers in more than 50 United States ("U.S.") states and territories. Through our adaptive energy platform, we provide a better energy service, and generally at a better price, to deliver our mission of powering energy independence. Through our energy service offerings, we are disrupting the traditional energy landscape and the way the 21st century customer generates and consumes electricity. Additionally, we believe the renewable energy market in which we operate, and investment in climate solutions more broadly, will continue to grow as the impact of climate change increases. While our core business model seeks to help accelerate a global transition to renewable energy, there are inherent climate-related risks to our business operations including, but not limited to, those discussed under "*Risk Factors*" and elsewhere in this Annual Report on Form 10-K.

We partner with local dealers and contractors who originate, design and install our customers' solar energy systems, energy storage systems and related products and services on our behalf, as well as other sustainable home solutions that we provide to further enhance the efficiency of our customers' investment and contribute towards their adaptive home, such as smart home devices, modern heating, ventilation and air conditioning ("HVAC"), generators, upgraded roofing, water systems, water heaters, main panel upgrades and electric vehicle chargers. Our focus on our dealer and contractor model enables us to leverage our dealers' and contractors' specialized knowledge, connections and experience in local markets to drive customer origination while providing our dealers and contractors with access to high quality products at competitive prices, as well as technical oversight and expertise. We believe this structure provides operational flexibility, reduces exposure to labor shortages and lowers fixed costs relative to more vertically-integrated models.

We offer customers products to power and improve the energy efficiency and sustainability of their homes and businesses with affordable solar energy and related products and services. We can offer energy generation savings compared to utility-based retail rates with little to no up-front expense to the customer in conjunction with solar and solar plus energy storage products that also provide energy resiliency. Our customer agreements typically take the form of a legal-form lease (a lease) of a solar energy system and/or energy storage system to the customer, the sale of the solar energy system's output to the customer under a power purchase agreement ("PPA") or the customer's purchase of a solar energy system, energy storage system and/or accessory either with financing provided by us (a loan) or paid in full by the customer (a sale).

We also offer service plans and repair services for systems we did not originate or outside of our standard warranty coverage. Complementary to our business, in some states we make it possible for a customer to obtain a new roof and/or other sustainable home products as part of their solar loan agreement or as an accessory loan to their lease or PPA. Customers who are not interested in a new solar energy system or energy storage system may also finance a new roof and/or other sustainable home products via a stand-alone loan from us. We also allow customers originated through our homebuilder channel the option of purchasing the products when the customer closes on the purchase of a new home.

Service is an integral part of our agreements and includes monitoring, repairs and replacements, equipment upgrades (as necessary and at our discretion), on-site power optimization for the customer (for both supply and demand), the ability to efficiently switch power sources between the solar energy system and/or energy storage system and the grid, as appropriate, and diagnostics for the solar energy system and energy storage system. During the life of the contract, we have the opportunity to integrate related and evolving servicing and monitoring technologies and other sustainable home products to upgrade the flexibility and reduce the cost of our customers' energy expense.

In the case of leases and PPAs, we receive tax benefits and other incentives from federal, state and local governments. We utilize tax equity, tax credit sales, non-recourse debt structures and hedging arrangements in order to fund our upfront costs, overhead and growth investments.

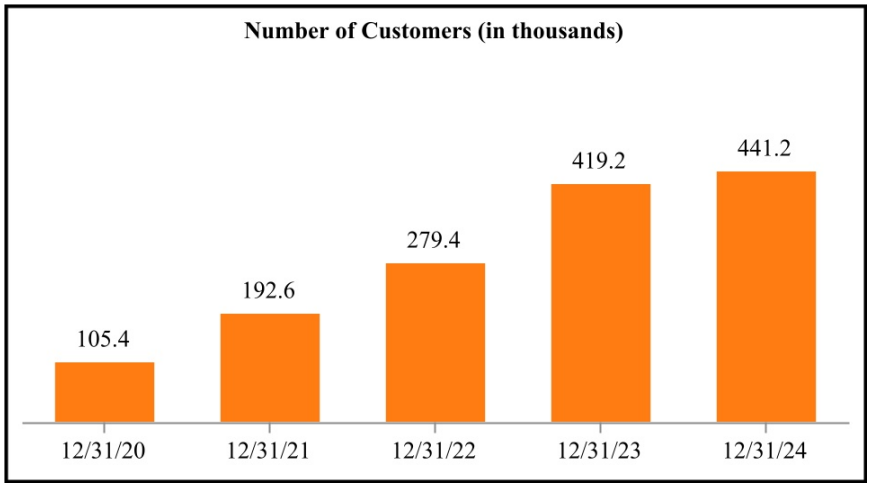
In addition to providing ongoing warranty service as a standard component of our customer agreements, we also offer ongoing service contracts to customers who purchased their solar energy system through third parties. Under these arrangements, we agree to provide monitoring, maintenance and/or repair services to these customers for the life of the service

contract they sign with us. In addition, we offer one-time repair services to customers who purchased their solar energy systems or sustainable home products through third parties or services that are not otherwise covered by warranty. We believe the quality and scope of our comprehensive service offerings, whether to customers who obtained their solar energy system through us or through another party, is a key differentiator between us and our competitors.

Our offerings include non-solar financing for other sustainable home products. Specifically, our offerings include a non-solar loan program enabling customers to finance the purchase of products independent of a solar energy system or energy storage system (such as electric vehicle chargers or generators). We believe the quality and scope of our sustainable product offerings, whether to customers that obtained their solar energy system or energy storage system through us or through a third party, is another key differentiator between us and our competitors.

We also enter into leases with third-party owners of pools of solar energy systems to receive such third party's interest in those systems. In connection therewith, we assume the related customer PPA and lease obligations, entitling us to future customer cash flows as well as certain credits, rebates and incentives (including solar renewable energy certificates ("SRECs")) under those agreements, in exchange for a lease payment, whether upfront or over time, to the third-party owner, which may be made in the form of cash or shares of our common stock. We believe such arrangements enhance our long-term contracted cash flows and are complementary to our overall business model.

We commenced operations in January 2013 and began providing solar energy services under our first solar energy system in April 2013. Since then, our brand, innovation and focused execution have driven growth in our market share and in the number of customers on our platform. We operate one of the largest residential fleets of solar energy systems in the U.S., comprising more than 2,892 megawatts of generation capacity and our diversified offerings of sustainable home solutions serve over 441,000 customers as of December 31, 2024. For a discussion of how we define number of customers, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial and Operational Metrics*". The following chart illustrates the growth in our number of customers from December 31, 2020 through December 31, 2024.



Our Network Model

Our go-to-market sales approach limits our acquisition and installation costs by using a structure that primarily deals with a network of local, independent dealers and contractors to market, sell and install solar energy systems, energy storage systems, home generators and certain other products and services on our behalf. Our dealers and contractors typically reside and work within the markets they serve and provide a localized, customer-focused marketing, installation and servicing process. These dealers and contractors are often leading local solar installation companies, electrical services companies, roofing companies or companies that serve customers who are actively searching for solar power, backup power or complementary home services.

Origination, Installation, Monitoring and Servicing Processes

Through our network model, we provide a streamlined approach for the origination of customer agreements and the installation of solar energy systems, energy storage systems and other sustainable home products. The principal elements of our origination, installation, monitoring and servicing processes are described below:

- *Customer Origination and Consultation.* Our dealers and contractors serve as a local, direct-to-home sales force providing in-person and virtual consultations to source potential customers in each geographic market where we operate. Our dealers and contractors reach potential customers through various means, including online, telemarketing, in-store sales, cross-marketing with complementary products and door-to-door canvasing. Using our technology platform and proprietary pricing tool, the dealer/contractor and the customer select one of our standard-form agreements for the relevant market and product.

- *Design and Engineering*. We and the dealers work together to design the applicable equipment, such as the solar energy system and energy storage system, if applicable, prior to the dealer's purchase and installation. All of our solar energy systems and energy storage systems are designed with equipment from a pre-approved list of manufacturers. We utilize our extensive tools and services platform, standardized procedures and existing databases to help our dealers comply with our pricing requirements, solar best practices, contract terms, and state, territorial and local regulations. For each solar service agreement, an individualized power production estimate is created by analyzing geographic, solar and weather data with the design's proposed orientation, components and shading. We continue to pursue technological innovation to streamline our review of design and engineering, to expedite installation and to lower costs for our dealers.

- *Installation, Commissioning, Quality Assurance and Interconnection*. The installation phase requires the dealer to obtain all necessary permits for installation. For systems requiring commissioning, the dealer must complete our commissioning process for the solar energy system and energy storage system (as applicable), which entails submitting supporting documentation and photographs illustrating the installation of the solar energy system and energy storage system (as applicable) to our quality assurance team for review. Following completion of these steps and our approval of these materials, the dealer submits required paperwork to the applicable electric distribution utility to obtain permission to operate the equipment, schedule required regulatory inspections and arrange for interconnection of the solar energy system to the electrical grid. In some markets where either permission is not required and/or interconnection is not feasible or practical, we may place the system in service without interconnecting to the electrical grid and thereby place the system in service without seeking permission to operate from the applicable electric distribution utility.

- *Customer Billing Dates*. How soon we will begin billing the customer after the solar energy system or applicable sustainable home product system has been placed in service will vary by product offering.
    - Lease agreements will begin billing on the first cycle date after the solar energy system or applicable sustainable home product system has been placed in service, generally within 30 days.
    - PPAs will begin billing on the first cycle date in the next calendar month after the solar energy system has been placed in service, generally between 15 and 60 days after the solar energy system has been placed in service.
    - Loan agreements require the solar energy system or applicable sustainable home product system must be in service at least 30 days or, where permitted by law, installed for 60 days prior to the date when billing can begin. As a result, billing on loan agreements generally begins with the aligned cycle date in the next calendar month after the solar energy system or applicable sustainable home product system has been installed or placed in service.

- *Monitoring and Servicing*. Our monitoring systems utilize cellular or internet connections that allow us to confirm the continuing operation of the solar energy system and energy storage system (if applicable) and with that information, solve maintenance issues through our dealers, third-party service providers or our own personnel. We also collect performance data to improve our pricing, generation estimates and services for our customers.

Our Relationships With Our Dealers and Contractors

We carefully recruit our dealers and contractors, who must meet and maintain our standards to be approved. Qualifications to be a dealer/contractor include: experience in the solar industry or success in an applicable sustainable home product industry such as roofing, gas generators, heating, ventilation and air-conditioning, electrical services or water systems, experienced and appropriately certified employees (including multiple installation teams) and possession of applicable licenses. We also perform

a review of the prospects' financial condition as part of our recruitment process, a background check on the principal owners of the organization and a careful review of the businesses' online and local reputation. Upon engagement, the dealer/contractor enters into an agreement with us that sets ongoing standards for operations and payment obligations based on different milestones for each project. We provide training, field support and continuing education to help our dealers/contractors operate efficiently. This includes training related to our processes, standards and services platform, sales training and compliance education regarding applicable rules and regulations. We actively review our dealers'/contractors' performance and compliance with our requirements to determine whether to terminate our relationship with any dealer/contractor that is unable to meet our performance standards.

For the years ended December 31, 2024 and 2023, Trinity Solar, Inc. ("Trinity") accounted for approximately 22% and 10% of our net originations, respectively. In October 2022, we amended our agreement with Trinity pursuant to which Trinity has agreed to perform services or work exclusively for us for sixty-six months to March 31, 2028 (the "Exclusivity Period"), with certain exceptions, including:

(a) the sale of solar energy systems, energy storage systems, generators or electric vehicle chargers ("Agreed Products") to individuals on a cash basis that do not involve private financing marketed by Trinity,
(b) the sale of Agreed Products to individuals who, based on their credit score(s) and other relevant attributes, Trinity reasonably determines do not qualify under our credit and underwriting standards then in effect and
(c) the sale of Agreed Products pursuant to customer agreements executed prior to the date of the amendment to the dealer agreement.

The October 2022 amendment permits immaterial failures to comply with the foregoing exclusivity obligations provided that such failures are inadvertent, made without knowledge and/or intent of Trinity's management, and provided that such failures do not account for more than 2% of Trinity's installations in any single year during the Exclusivity Period. In addition, Trinity may install Agreed Products for our competitors in instances in which Trinity has available installation capacity, and, following notice to us that such capacity is available, we can either indicate that we do not intend to use such installation capacity or fail to timely respond to the notice. Trinity's exclusivity obligations do not apply to new roofs or roof replacements, or to Agreed Products sold for commercial applications. Under this arrangement, we have agreed to provide bonuses to Trinity in the amount of $12.9 million during the six month period ended March 31, 2023 and $30.0 million for each of the five subsequent year-long periods. The bonus payments are subject to a true-up payable by:

(a) us if Trinity exceeds 120% of its annual target or
(b) Trinity if it does not meet at least 80% of its annual target, though we will not owe Trinity a true-up for its first year performance under any circumstances.

The annual installation targets increase by approximately 2.3% to 7.1% each year. Unlike most of our dealer agreements, the arrangement with Trinity does not permit the parties to terminate for convenience and only permits termination in specified circumstances including material breach (subject to applicable cure periods), prolonged force majeure events, a change of control, certain insolvency events or mutual agreement. Additionally, the arrangement provides for a liquidated damages payment of the greater of $50.0 million or the sum of all remaining annual bonus payments at the time of the termination by the applicable party in the event of termination for material breach, certain insolvency events of or wrongful termination by the other party. In January 2025, we amended our agreement with Trinity to, among other things:

(a) maintain the volume commitment with Trinity for 3 years, however, that commitment will no longer restrict Trinity in their ability to work with our competitors,
(b) change the timing and method of the annual bonus payment to be split into four equal payments of $7.5 million to be paid 10 days after the first day of each quarter and
(c) change the terms so if Trinity fails to meet three consecutive quarterly targets during the remainder of the commitment period, then all subsequent quarterly payments will be paid 10 days following the last day of each quarter.

We have similar contractual arrangements with several other key dealers and third parties. For certain other dealers and third parties, substantially all of the customer agreements originated by such dealers and third parties are Sunnova agreements, although they are under no exclusivity arrangement. During the year ended December 31, 2024, Lennar Corporation ("Lennar") accounted for 22% of our net originations. During the year ended December 31, 2023, Monitronics International Inc. dba Brinks Home ("Brinks Home") and Lennar accounted for 30% and 10%, respectively, of our net originations. During the years ended December 31, 2024 and 2023, no dealer or third party other than Trinity, Lennar and Brinks Home accounted for more than 10% of our net originations.

Sales of Customer Notes Receivable

In May 2024, we ceased originating home security and monitoring loans with Brinks Home. In connection therewith, we sold approximately 58,000 home security and monitoring loans to Brinks Home. During the year ended December 31, 2024, we sold additional accessory loans to a third party. While we still have an obligation to service the accessory loans sold during the year ended December 31, 2024, no such obligation exists for the home security and monitoring loans sold in May 2024. During the year ended December 31, 2024, we sold approximately 65,000 accessory loans with a net customer notes receivable balance of $142.6 million for $84.9 million and recognized a loss of $43.4 million. As previously disclosed, during the year ended December 31, 2023, Brinks Home accounted for 30% of our net originations on a count basis.

Direct Sales

We have established a direct to market team to sell and install our products and services in limited markets. This sales team is primarily focused on selling solutions, such as Sunnova Protect Services, Sunnova +SunSafe and financing for electric vehicle chargers, generators and other supplements as requested by consumers. In many cases, these services will be directed to a third-party installer in our network, as required, for the installation of equipment.

Business Markets

We have established a division to serve commercial, industrial, agricultural, not-for-profit and public sector customers. This division is primarily focused on offering solutions, such as solar energy systems, energy storage systems and electric vehicle chargers as requested by customers, through a lease agreement, loan agreement or cash purchase.

Grid Services

We have developed relationships with various independent system operators, utilities, transmission and distribution companies, community choice aggregators and other providers, seeking to coordinate with them to provide specialized grid services. Examples of these services include aggregation capability for demand response programs and participation in capacity auctions. These grid programs can make use of the solar energy systems, energy storage systems and other technologies installed in customer homes and businesses and managed by us via a centralized platform and internally developed software. By providing grid services, we seek to earn additional revenue, improve grid resiliency, promote efficient grid operations where our customers are located and lower the cost of power to our customers.

Software Platforms

We have created sophisticated cloud-based technology platforms, streamlining the origination, installation, administration, orchestration and servicing of our energy solutions. Our proprietary dealer, customer and energy management software supports customers, dealers and internal users in the sale, installation and management of our products and services. The platforms leverage cloud-based infrastructure and software capabilities using multiple third-party providers, including Salesforce, Amazon Web Services, Heroku, FinancialForce and Infor. The platforms are compatible with multiple end-user device types, including smartphone, tablet and desktop/laptop interfaces.

Our key software platforms include:

- ***Sunnova Catalyst™ Dealer Platform***: Sunnova Catalyst enables dealers to manage leads, design systems, generate quotes and contracts, and create plan sets and commissioning packages through a combination of web, tablet and mobile device interfaces. As part of the quoting feature set, customer pricing is delivered by a combination of cloud-based technologies including Arcadia/Genability, PV Watts (a service of the National Renewable Energy Laboratory) and proprietary applications running on Amazon Web Services and Heroku. We enable dealers to generate customer agreements and proposal documents on demand for presentation to prospective customers. Each completed quote is transferred into Salesforce for agreement generation, customer access and reporting. Sunnova Catalyst also includes features to streamline the approval process for the design and installation of solar energy systems, track install progress and establish a standard process for ongoing service and warranty management.

- ***Sunnova App and Portal***: Sunnova App and Portal are our mobile and web experiences for customers. The mobile and web apps enable customers to interact with the Sunnova Adaptive Home. Customers can view their energy systems' production history, manage devices, pay bills, manage account, view energy recommendations and contact information, generate referrals and contact our customer service team. Sunnova App is available for both Android and iOS.

- ***Sunnova Sentient™:*** Sunnova Sentient is our proprietary platform for energy awareness, intelligence and control. Sunnova Sentient powers Sunnova Adaptive solutions for homes, businesses and communities. We are incorporating Sunnova Sentient into our dealer and customer platforms to recommend customer-specific energy solutions and optimize energy products and services. Sunnova Sentient powers our advanced grid services and carbon reduction programs.

- ***Salesforce***: Salesforce is our central repository and system of record for all contracts, process documentation, customer account information, maintenance information and payment tracking for the life of the customer agreement. This single system allows for integrated and comprehensive reporting for the life cycle of the customer, from quote to end of the customer agreement term. Many of our other systems interact with the Salesforce platform.

- ***FinancialForce and Infor***: FinancialForce is a cloud-based accounting system built on the Salesforce platform. We are in the process of implementing Infor, a new accounting and financial system that will replace FinancialForce in January 2026.

Customer Agreements

Sunnova Service	Agreement Type(s)	Sunnova Plan(s)	Description	Initial Term
Sunnova Home Solar Service	Lease	Easy Plan™ equipment lease	Lease of solar energy system	25 years
		LeasePlus™ New Home Solar Plan		20 or 25 years
		Prepaid LeasePlus™ New Home Solar Plan		
		Solar Benefits Agreement		20 years
	PPA	Easy Plan™ PPA	Sale of solar energy production	25 years
		Easy Plan™ PPA with RateGuard		
		Solar 20/20 Plan™ Agreement & Covenants		20 years
		Fixed Rate Power Purchase Agreement		
	Loan	Easy Own Plan™ equipment purchase	Sale of solar energy system	10, 15 or 25 years
Sunnova SunSafe® Solar + Battery Storage Service	Lease	Easy Plan™ equipment lease	Lease of solar energy system and energy storage system	25 years
	Loan	Easy Own Plan™ equipment purchase	Sale of solar energy system and energy storage system	10, 15 or 25 years
Sunnova +SunSafe® Add-on Battery Service	Loan	Easy Own Plan™ equipment purchase	Sale of energy storage system	10, 15 or 25 years
Standalone Lease	Lease	Easy Plan™ equipment lease	Lease of energy storage system	10 years
Sunnova Loan	Loan	Easy Own Plan™ equipment and services	Financing of home improvement products and services (including partial or full roof replacement) independent of a solar energy system	1 to 11 or 20 years
Sunnova Protect Service	Service Plan	Sunnova Protect Service	Monitoring and service agreements for non-Sunnova solar energy systems	1, 5, 10 or 20 years
Sunnova Repair Service	Repair Service	Sunnova Repair Service	Repair service agreements for Sunnova and non-Sunnova solar energy systems	1 year workmanship warranty
Accessory Purchase and/or Roof Replacement	Loan	Easy Own Plan™ equipment purchase	Home improvement products and services (including partial or full roof replacement) when combined with either an Easy Own Plan or Sunnova SunSafe® Solar + Battery offering	10, 15 or 25 years

We focus on growing a geographically diverse customer base with a strong credit profile. We perceive our recurring customer payments as high-quality assets given the broad and relatively inelastic demand for electricity and because our customers typically have high credit scores. As of December 31, 2024, our customers had, at the time of signing the customer agreement, an average FICO® score of 742. The purpose of our stringent credit approval policy is to ensure reliability of collecting payment over the duration of the customer agreements. As of December 31, 2024, approximately 0.6% (or $4.0 million) of our customer receivables were in default (over 120 days past due) under their agreements.

Our lease and PPA agreements typically include an opportunity for customers to renew for up to an additional 10 years via two five-year or one 10-year renewal options. The customer is obligated to make monthly payments to us, and we operate and maintain the solar energy system and energy storage system, if applicable, in good condition throughout the duration of the agreement. Under our lease agreements and PPAs, the customer's monthly payment or price per kilowatt hour ("kWh") is set based on a calculation that takes into account the life of the equipment and/or expected solar energy generation. The customer has an option of choosing a flat rate without an escalator or a lower initial rate with an escalator. As of December 31, 2024,

approximately 41% of our lease agreements and PPAs contained a price escalator, ranging from 0.9% to 3.9% annually.

Our customer agreements are designed to offer the customer energy cost savings and bill stability relative to centralized utility prices, often resulting in an immediate reduction in the customer's overall utility bill, with little or no upfront costs. We provide our services related to solar energy systems and energy storage systems through long-term agreements in the following formats:

- *Lease Agreements*. Under the Easy Plan equipment lease, the customer leases a solar energy system and/or energy storage system from us for an existing home at a fixed monthly rate that is typically subject to annual escalation. Under the LeasePlus New Home Solar Plan, the customer leases a solar energy system from us at a fixed monthly rate that is not subject to escalation throughout the term of the lease. Under the Prepaid LeasePlus New Home Solar Plan, the lease is prepaid upfront for the term of the lease. In 2024, we introduced a government-subsidized lease for a solar energy system with an energy storage system in Puerto Rico for customers that participate in the PR Energy Resiliency Fund (ERF). The Solar Benefits Agreement is offered to new home customers in certain states and like the LeasePlus New Home Solar Plan, the customer leases a solar energy system from us at a fixed monthly rate that is not subject to escalation throughout the term of the lease. We own, operate and maintain the solar energy system under our lease agreements. In most cases, lease agreements include a performance guarantee under which we will refund payments or credit the customer if the solar energy system fails to meet a guaranteed minimum level of power production for specified time periods.

- *PPAs*. We offer PPAs with variable monthly payments or balanced monthly payments. We own, operate and maintain the solar energy system under our PPAs.

  - *Easy Plan PPA with variable billing*. The customer agrees to pay for all power generated by a solar energy system at a price per kWh that is generally lower than the local utility rate. The monthly payment will vary month to month based on the system's actual production. The monthly rate is generally subject to annual escalation. In the first quarter of 2024, we launched the RateGuard option in select states under which a customer can bundle a non-backup battery with their solar system.

  - *Easy Plan PPA with balanced billing*. This is similar to the variable billing option except the customer's payments are levelized over the course of a year based on an annual production estimate so the customer's payments are insulated from monthly fluctuations in energy production subject to a true-up at the end of such period. The fixed monthly rate is typically subject to annual escalation. Should the annual production estimate exceed actual production, the customer will receive a bill credit at the end of the applicable period and we may decrease the estimated production (and corresponding monthly payments) for the subsequent year. Should actual production exceed the annual estimate, we may apply the overproduction to a subsequent year or increase the estimated annual production and corresponding monthly payments for the subsequent year. The estimated annual production will not increase more than 110% from the estimated annual production for the first year.

  - *Solar 20/20 Plan Agreement & Covenants*. This is offered to new home customers who agree to pay for all power generated by a solar energy system at a price per kWh that is indexed to the local utility rate but is guaranteed to be at least 20% lower than the applicable utility's weighted-average rate that takes into account the customer's estimated production. The monthly payment will vary month to month based on the system's actual production and that month's indexed rate.

  - *Fixed Rate Power Purchase Agreement.* This is offered to new home customers and is similar to the variable billing option except the monthly rate is fixed throughout the term of the agreement and not subject to annual escalation.

- *Loan Agreements*. Pursuant to an Easy Own Plan equipment purchase agreement, the customer purchases the solar energy system from a dealer using financing provided by us. The customer repays the amount financed plus a finance charge through monthly payments for a term of 10, 15 or 25 years. We purchase the Easy Own Plan equipment purchase agreement from the dealer and agree to operate and maintain the solar energy system. We operate and maintain the solar energy system through our network of dealers. In most cases, Easy Own Plan equipment purchase agreements include a production guarantee under which we will refund payments or credit the customer if the solar energy system fails to meet a guaranteed minimum level of power production for specified time periods. Customers

under our Easy Own Plan equipment purchase agreements have the option to prepay outstanding principal amounts, in part or in full, without penalty.

- *Energy Storage Systems*. Our Sunnova SunSafe program offers customers the option of a solar energy system integrated with a solar storage system. The customer can either choose an Easy Plan equipment lease or Easy Own Plan equipment purchase plan. These are similar to our Easy Plan equipment lease and Easy Own Plan equipment purchase for home solar services but include energy storage systems with the solar energy system. The customer may select a term of 10, 15 or 25 years for the Easy Own Plan equipment purchase. These agreements have a production guarantee for the solar energy system, similar to the home solar service Easy Plan equipment lease and Easy Own Plan equipment purchase plans, except in Guam, Saipan, Hawaii, Puerto Rico, Arkansas and Florida. Additionally, we offer the Sunnova +SunSafe agreement to new and existing customers in several states and territories, under which the customer purchases an energy storage system from a dealer using financing provided by us. Under the Sunnova +SunSafe agreement, the customer repays the amount financed plus a finance charge through monthly payments for a term of 10, 15 or 25 years. In the fourth quarter of 2023, we launched our standalone lease program in several states to new and existing customers, under which the customer can lease an energy storage system with a fixed monthly payment for a term of 10 years.

- *Sunnova Loan*. We finance energy-related products and services and other sustainable home products sold by our dealers/contractors independent of a solar energy system. We offer customer financing for products including home automation, energy management and other smart home devices, upgraded roofing, modern HVAC, generators, water systems, water heaters, main panel upgrades and electric vehicle charging. We have established a niche amongst pure financing competitors by providing energy-related products and services and other sustainable home products with competitive rates and tenors. Where applicable, the financed products come with a standard manufacturer's warranty on equipment. Our Sunnova Loan offering gives our dealers and contractors the flexibility to offer additional products and services to customers outside of a traditional solar loan. Customers may select a pre-defined term ranging from 1 to 20 years.

- *Sunnova Protect Services*. For solar energy systems not owned or sold by us, our Sunnova Protect Services agreements provide customers system monitoring, diagnostics and repairs. We provide two levels of service: (a) Basic, which is monitoring only and (b) Premium, which is monitoring plus repair and/or replacement of all equipment under a manufacturer's warranty. The customer may select the level of service and a term of 1, 5, 10 or 20 years. Prior to commencing premium coverage, we will run a diagnostic evaluation on the customer's solar energy system and will identify any underperforming equipment and estimate production. The customer may elect to repair underperforming equipment, on a time and materials basis, so that it may be included in the coverage going forward. Should the customer decline to repair the underperforming equipment, it will not be covered under the Sunnova Protect Services agreement.

- *Sunnova Repair Services*. Through our Sunnova Repair Services, we provide repairs to solar energy systems and energy storage systems for out of warranty system repairs or to owners of solar energy systems and energy storage systems not owned or sold by us who do not have a service provider. Sunnova Repair Services can address repairs not covered by warranties for both solar energy systems and energy storage systems owned or sold by us and solar energy systems and energy storage systems not owned or sold by us. The variety of repairs that Sunnova Repair Services may provide includes assessment and troubleshooting, warranty administration, warranty fulfillment, preventative maintenance and repair and replacement of equipment. Additionally, suppliers and financiers procure Sunnova Repair Services for repairs on their behalf.

As of December 31, 2024, approximately 31% of our customers had lease agreements, approximately 28% had PPAs, approximately 24% had loan agreements and approximately 12% had service plan agreements.

We have developed protocols and policies to qualify potential customers for different product and service arrangements. For customer agreements, we review the customer's credit application for compliance with our credit standards early in the origination process. Customer agreements that are accepted must comply with our underwriting standards, which emphasize the prospective customer's ability to pay, the suitability of the home or site and the value of the customer's estimated savings under the solar service agreement compared to traditional utility rates. Exceptions to these policies exist for prospective purchasers of homes subject to the Easy Plan equipment lease, LeasePlus New Home Solar Plan, the Prepaid LeasePlus New Home Solar Plan, the Solar 20/20 Plan Agreement & Covenants and the Fixed Rate Power Purchase Agreement. These customers are not subject to credit checks and these agreements are freely transferable.

We maintain reporting and controls in place to monitor the timeliness of customer payments. As of December 31, 2024, approximately 85% of all payments received pursuant to our customer agreements are collected via Automated Clearing House payments (i.e., the funds are deducted automatically on a monthly basis from the customer's bank account), approximately 9% are collected via automatic recurring credit card payments and approximately 6% are collected through non-recurring means. If a customer becomes delinquent on one or more monthly installment payments, we typically begin a collection process with respect to the customer.

In the event a customer elects to sell his or her home or business, the customer's agreement may be transferred to the prospective purchaser through prescribed reassignment procedures, subject to certain conditions related to the prospective purchaser's creditworthiness. To initiate the reassignment process, the customer must notify us of the pending sale, after which we will provide a copy of the agreement, including any amendments, to the prospective purchaser. The prospective purchaser will then be required to complete a customer profile and a credit application. With the exception of customers originated through our homebuilder channel, each prospective purchaser's FICO® Score and Experian TEC (Telecommunications, Energy and Cable) Score will be evaluated on the same basis as a customer in a new origination and will be evaluated by our computer auto-decisioning system.

In the event a prospective purchaser does not meet our credit criteria or elects not to be subject to such credit inquiry, the current customer will be required to prepay the agreement in full or the prospective purchaser will be required to provide a security deposit in cash in accordance with such customer's agreement or our transfer policy prior to the approval of the reassignment. Each such security deposit is held in a separate account until the earlier of (a) the time at which the prospective purchaser satisfies our established credit criteria or (b) upon 12 consecutive months of on-time payments following the date of reassignment.

Monitoring and Maintenance Service and Warranties

Our customer agreements typically are accompanied by a warranty including a monitoring and service agreement. The warranty and monitoring services provided with each type of customer agreement vary but can include operations and maintenance, equipment repairs, monitoring or site power controls and energy management of both supply and demand. Additionally, our Sunnova Protect Services program offers monitoring, service and facilitation of repairs across two tiers of service for solar energy systems owned by the home or business owner and installed by a third party.

For our customer agreements, we provide ongoing service during the entire term of the customer relationship, including monitoring, maintenance and warranty services of the solar energy system and energy storage system, if applicable. We have administrative staff dedicated to monitoring and a production team that evaluates the solar energy systems' and energy storage systems' performance daily. When a performance or operation issue is detected via our monitoring system, we provide or arrange for troubleshooting or field services as necessary. We rely on our own personnel and our dealer network to complete the field services required to maintain the solar energy systems. After completion of the resolution steps, we verify remotely the issue has been resolved and the system or energy service is performing as expected. For accessory loan agreements, we do not provide ongoing monitoring, warranties or similar services.

Additionally, customers under our agreements receive a range of warranties on the related solar energy systems and energy storage systems, including warranties for module production and against defects in workmanship and against component or materials breakdown. We also provide the customers with a warranty on roof penetrations of up to 10 years in compliance with applicable state, territorial or local law. Through our agreements with our dealers, the dealer is generally obligated, at its sole cost and expense, to correct defects in its installation work for a period of up to 10 years and provide a roof warranty on roof penetrations of 5 to 10 years. Furthermore, we provide a pass-through of the solar photovoltaic panel manufacturers' warranty coverage to our customers, generally of 25 years, and of the inverter and energy storage system manufacturers' warranty coverage, typically of 10 to 25 years. We typically exercise our rights under the manufacturer's equipment warranties or dealer installation warranties before incurring direct charges or costs. Many service expenses are borne by our dealers and not us directly because of the workmanship warranty provided by the dealers to us. Additionally, many component costs and, in many cases, in and out labor costs, are covered by manufacturer warranties.

Seasonality

The amount of electricity our solar energy systems produce is dependent in part on the amount of sunlight, or irradiation, where the assets are located. Because shorter daylight hours in winter months and poor weather conditions due to cloud cover, rain or snow results in less irradiation, the output of solar energy systems will vary depending on the season or the year. While we expect seasonal variability to occur, the geographic diversity in our assets helps to mitigate our aggregate seasonal variability.

Our Easy Plan PPAs with variable billing, Solar 20/20 Plan Agreements and Fixed Rate Power Purchase Agreements are subject to seasonality because we sell all the solar energy system's energy output to the customer at either a fixed price per kWh or indexed, variable rate per kWh. Our Easy Plan PPAs with balanced billing are not subject to seasonality (from a cash flow perspective or the customer's perspective) within a given year because the customer's payments are levelized on an annualized basis so we insulate the customer from monthly fluctuations in production. In addition, energy production true-ups and production estimate adjustments for Easy Plan PPAs with balanced billing are calculated over an entire year. However, our Easy Plan PPAs with balanced billing are subject to seasonality from a revenue recognition perspective because, similar to the Easy Plan PPAs with variable billing, we sell all the solar energy system's energy output to the customer. Our lease agreements are not subject to seasonality within a given year because we lease the solar energy system to the customer at a fixed monthly rate and the reference period for any production guarantee payments is a full year. Finally, our loan agreements are not subject to seasonality within a given year because the monthly installment payments for the financing of the customers' purchase of the solar energy system are fixed and the reference period for any production guarantee is a full year.

In addition, weather may impact our dealers' ability to install solar energy systems and energy storage systems. For example, the ability to install solar energy systems and energy storage systems during the winter months in the Northeastern U.S. is limited. This can impact the timing of when solar energy systems and energy storage systems can be installed and when we can acquire and begin to generate revenue from solar energy systems and energy storage systems.

Intellectual Property

We rely on intellectual property laws, primarily a combination of copyright, patent and trade secret laws in the U.S., as well as license agreements and other contractual provisions, to protect our proprietary technology. We also rely on several registered and unregistered domestic and international trademarks to protect our brand. In addition, we generally require our employees and independent contractors involved in the development of intellectual property on our behalf to enter into non-disclosure agreements to limit access to, and disclosure and use of, our confidential information and proprietary technology. We also continue to expand our technological capabilities through licensing technology and intellectual property from third parties.

Government Regulations

While we are not regulated as extensively as a public utility where our business is conducted in the U.S., we are subject to various national, state, territorial and other local regulatory regimes. For example, in California and New York, we are subject to regulations concerning marketing and contracting promulgated by state public utility commissions. In some states, such as Arizona and Florida, we are limited to offering only a lease agreement or a loan agreement to homeowners and are prohibited from offering a PPA, which is deemed a retail sale of electricity in such states and can only be made by a regulated utility. In Puerto Rico, we are subject to regulation as an electric service company by the Puerto Rico Energy Bureau ("PREB") and are required to comply with certain filing, certification, reporting and annual fee requirements. Regulation by the PREB as an electric service company does not currently subject us to centralized utility-like regulation or require the PREB's approval of charges to customers.

To operate the solar energy systems and energy storage systems, our dealers work with customers to obtain interconnection permission from the applicable local electric distribution 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. In some states, such as New Jersey and Massachusetts, certain utilities, such as municipal utilities or electric cooperatives, are exempt from some interconnection requirements. Provided that the system and energy, if applicable, qualify for the standardized procedures based upon size, use of industry-standard components, location on a suitable local network and other applicable requirements, utilities in such states or territories are required to interconnect qualifying solar energy systems and energy storage systems on an expedited basis relative to non-qualifying systems. Expedited procedures, when available, streamline the installation and interconnection process for solar energy systems and energy storage systems to begin operating. In the U.S. states and territories in which we operate, our dealers typically obtain interconnection permission on behalf of us and our customers using standardized interconnection procedures.

In certain states, independent solar energy producers who enter into lease agreements, PPAs or loan agreements with home and business owners for solar energy systems are required to make certain disclosures to the home or business owner regarding the solar energy system and the terms of the agreement and/or record a notice against the title to the real property on which the electricity is generated and against the title to any adjacent real property on which the electricity will be used. The notice does not constitute a title defect, lien or encumbrance against the real property.

Our operations, as well as the operation of our dealers and contractors, are subject to stringent and complex federal, state, territorial and local laws, including regulations governing the occupational health and safety of employees, regulations of wages and benefits and environmental protection. For example, we and our dealers/contractors may be subject to the regulations of the U.S. Department of Labor's Occupational Safety and Health Administration ("OSHA") and Wage and Hour Division, the U.S. Department of Transportation ("DOT"), the U.S. Environmental Protection Agency ("EPA") and comparable state and territorial entities that protect and regulate employee health and safety and the environment. These include, for example, regulations regarding the disposal of solid and hazardous wastes from the solar energy systems we own and the wages paid to our dealers and contractors. In addition, environmental laws can result in the imposition of liability in connection with end-of-life system disposal, such as in connection with disposal and recycling of batteries.

We and our dealers/contractors are also subject to laws and regulations related to interactions with consumers, including those pertaining to sales and trade practices, privacy and data security, equal protection, consumer financial and credit transactions, consumer collections, mortgages and re-financings, home or business improvements, trade and professional licensing, warranties and various means of customer solicitation, as well as specific regulations pertaining to solar installations.

For a discussion of these and other regulatory requirements, see "*Risk Factors—Risks Related to Regulations*".

Government Incentives

In September 2023, we entered into a loan guarantee arrangement with the U.S. Department of Energy (the "DOE") under Title XVII of the Energy Policy Act of 2005 ("Title XVII") pursuant to which the DOE agreed, subject to certain conditions, to guarantee up to $3.0 billion of aggregate obligations in a series of intercompany loans between our affiliates made in connection with limited recourse financings, such as the Sunnova Hestia Loan Program. Recipients of Title XVII loan guarantees may be subject to compliance with various additional federal law and contractual requirements, such as the Davis-Bacon Act and the False Claims Act, as well as the statutory and regulatory requirements of Title XVII. While this guarantee remains in place for our Series 2023-GRID1 and Series 2024-GRID1 notes, we do not expect to use the Hestia facility for future securitizations in the foreseeable future. In November 2023, we were conditionally selected by the DOE Grid Deployment Office as part of a $440 million investment from the Puerto Rico Energy Resilience Fund to install rooftop solar energy systems and energy storage systems in vulnerable single-family households across Puerto Rico. Under this program, we have been awarded $281.1 million.

U.S. federal, state, territorial and local governments have 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 and energy storage systems from property tax assessments, system performance payments, accelerated depreciation and net energy metering, or net metering, programs. These incentives make solar energy system and energy storage system ownership more attractive to some home and business owners and enable us to charge our customers lower prices to purchase energy generated by our solar energy systems and energy storage systems or to lease or purchase our solar energy systems and energy storage systems than they would normally be expected to pay for utility-provided energy. These incentives also help catalyze private sector investments in solar energy and efficiency measures, including the installation and operation of residential and commercial solar energy systems and energy storage systems.

Net metering is one of several key policies that have enabled the growth of distributed solar in the U.S., providing significant value to certain customers with solar energy systems for the electricity generated by their systems but not directly consumed on site. Net metering allows a customer to pay the local electric utility only for power usage net of excess production from the customer's solar energy system. Customers receive a credit for the energy an interconnected solar energy system generates in excess of that needed by the home or business, which is provided to the electrical grid. The credit offsets energy usage incurred by the customer at times when the customer requires more electricity than is generated by the solar energy system. In many markets, this credit is equal to the residential retail rate for electricity and in other markets the rate is less than the retail rate and may be based, for example, in whole or in part on the centralized electric utility's "avoided cost" for electricity that it would have had to generate or purchase at wholesale to meet the customer's demand. Furthermore, when coupled with a time of use rate program in certain electric utility territories, a home or business owner may offset usage billed at lower rates with net metering credits provided at a higher rate.

For these reasons, net metering credits incentivize consumers to use distributed solar in certain jurisdictions, including some of those in which we operate. In some electric utility territories, any excess credits are rolled over to the next billing period and may also be cashed out later at a rate lower than the retail rate. Most states, the District of Columbia, Puerto Rico and Guam have adopted some form of net metering by statute, regulation, administrative order or a combination thereof, although some of these jurisdictions provide for a credit at less than the retail rate. In some jurisdictions, centralized electric

utilities have also adopted net metering on a voluntary basis. Some of the states in which we operate, including New Jersey, Maryland, Massachusetts, Rhode Island, Delaware, Illinois and Hawaii, have in place policies that limit or permit utilities to limit the amount of total electricity generated through net metering and/or solar energy systems, and some of these states, as well as other states or territories, including Pennsylvania, Nevada, New Mexico and Guam, have policies that limit or place conditions on the size of individual solar energy systems.

Net metering and other incentive programs are subject to legislative and regulatory review in many states and territories in which we operate, and the availability and value of these programs could be limited, reduced or phased out. Some states such as Arizona, Nevada, California and Kentucky have reduced their net metering credits. Further reviews by these states and others are anticipated and the subsequent amount of net metering credits will continue to be assessed over the next few years in states that have net metering policies. For example, net metering rates in Colorado, New Jersey, Puerto Rico and South Carolina are up for consideration currently or over the next few years.

In December 2022, the California Public Utility Commission (the "CPUC") approved a successor program (Net Energy Metering 3.0 or "NEM 3.0") to its legacy net metering program that reduces the value of net metering credits from the retail rate to an avoided cost rate for customers that will have solar energy systems installed on their homes and businesses over the next five years. Customers will also be placed on an electrification rate. Residential customers located in the territories of two of the investor-owned utilities will also receive small adders to the avoided cost rate, while the residential customers in the territory of the third investor-owned utility, as well as new homes and commercial customers in all three of the service territories, do not receive any adders. In addition, it may only be possible for customers to realize savings from installing solar energy systems compared to the utility retail rate by adding storage to their solar energy systems or undersizing them so exports are limited. The decision went into effect in April 2023 and is currently effective, although judicial review of the decision is pending before the California Supreme Court.

In New Jersey, the Staff of the New Jersey Board of Public Utilities has 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.

New York is working on developing an alternative to net metering through a Value of Distributed Energy Resources credit that would allow certain customers to receive direct monetary compensation as opposed to a net metering credit. This program was expected to be implemented in 2021 but has been delayed due to not enough utilities having deployed smart meters that would enable an accurate valuation of distributed energy production. New York is keeping net metering in place with a nominal customer benefit charge added for solar customers who have solar energy systems installed after January 1, 2022. While the Definitive Restructuring Support Agreement ("DRSA") between the PREPA and its creditors submitted in May 2019 allowed for the possibility for net metering customers in Puerto Rico to be impacted by transition charges and other requirements, the DRSA was terminated in March 2022 and, at this time, the potential impact to net metering customers under the as-of-yet to be filed amended POA is uncertain.

In September 2020, the Federal Energy Regulatory Commission ("FERC") issued Order 2222 directing regional transmission operators ("RTO") and independent system operators ("ISO") to remove barriers to the participation of distributed energy resources ("DERs") in wholesale electricity markets on an aggregated basis. While the FERC's order is subject to challenge as well as further proceedings concerning the implementation of the order's directives in each of the RTOs/ISOs, Order 2222 provides a framework that once implemented will allow for aggregated DERs to be compensated through the wholesale market for the capacity, energy and ancillary services they provide.

In late 2020, we began offering our lease storage customers participation in the ConnectedSolutions demand response program through Eversource and National Grid utilities in Massachusetts. We expanded these offerings for our Connecticut, Rhode Island and New Hampshire customers in early 2021, including loan storage customers. Our storage customers in California have the option to participate in the demand response market to help California manage its electricity demand, where we manage the battery storage system in response to price signals in the energy market for customers served by Pacific Gas and Electric Company, San Diego Gas & Electric utilities and Southern California Edison to provide demand response and resource adequacy. In late 2023, we expanded our Sunnova Sentient Virtual Power Plant Platform to Puerto Rico to participate in LUMA Energy, LLC's battery energy sharing program. Further, we will seek to participate in market specific opportunities and negotiate bilateral agreements, where appropriate, to enroll systems and customers in energy management and demand response programs.

Many states and territories have adopted renewable portfolio energy production requirements. The majority of states, the District of Columbia and Puerto Rico have adopted a renewable portfolio standard ("RPS") that requires regulated electric utilities to generate or procure a specified percentage of total electricity delivered to customers in the state or territory from eligible renewable energy sources, such as solar energy systems, by a series of specified dates. In addition, several other states have set voluntary goals for renewable generation.

Roughly one-third of states with RPS policies require a minimum portion of the RPS be met by electric generation from solar energy systems, with substantial penalties for non-compliance. To demonstrate compliance with such RPS mandates, electric generation providers must submit SRECs to the applicable authority. One SREC is produced by one megawatt-hour of energy generated by an eligible solar energy system. The specified amount of energy is dependent on system size and when the solar energy system receives a permission to operate order. Electric generation providers can either generate their own SRECs through solar energy systems they own or they can purchase SRECs owned by other parties.

SRECs are a distinct product, separate from the electricity generated by solar energy systems. We and our customers apply for and receive SRECs in certain jurisdictions for power generated by the solar energy systems we own. As a distinct product from the electricity generated by solar energy systems, SRECs represent a separate source of cash flow from the sale of electricity. SRECs can be sold with or without the actual electricity associated with the renewable-based generation. Solar energy system owners are typically able to sell SRECs to electric generation providers, such as electric utilities, or in the SREC commodity market. We have hedged a portion of our expected SREC production under fixed price forward contracts. The forward contracts require us to physically deliver the SRECs upon settlement.

Several states have an energy storage mandate or policies designed to encourage the adoption of storage. For example, California offers a cash rebate for storage installations through the Self Generation Incentive Program and Massachusetts, Connecticut and New York offer performance-based financial incentives for storage. Storage installations also are supported in certain states by state public utility commission policies that require utilities to consider alternatives such as storage before they can build new generation. In February 2018, the FERC issued Order 841 directing RTOs and ISOs to remove barriers to the participation of storage in wholesale electricity markets and to establish rules to help ensure storage resources are compensated for the services they provide. An appeal of Order 841 filed by utility trade associations and other parties challenging the extent of the FERC's jurisdiction over storage resources connected to distribution systems was rejected by the U.S. Court of Appeals for the D.C. Circuit in July 2020.

Some state and territorial governments, centralized electric utilities, municipal utilities and co-operative utilities offer a cash rebate or other payment incentive for the installation and operation of a solar energy system or energy storage system or to customers undertaking other energy efficiency measures. Capital cost or up-front rebates provide funds to solar customers or developers or solar energy system owners, such as us, based on the cost, size or expected production of a customer's solar energy system. Performance-based incentives and tariff-based incentives provide payments to solar customers or a solar energy system owner based on the energy generated by the solar energy system during a pre-determined period. These rebates and payment incentives, when available, improve the economics of distributed solar to both us and our customers.

The economics of purchasing a solar energy system and energy storage system are also improved by eligibility for accelerated depreciation, which allows for the depreciation of equipment according to an accelerated schedule set forth by the IRS. This accelerated schedule allows a taxpayer to recognize the depreciation of tangible solar property on a five-year basis even though the useful life of such property is greater than five years. The acceleration of depreciation creates a valuable tax benefit that increases the return on investment from a solar energy system and energy storage system. We benefit from accelerated depreciation on the solar energy systems and energy storage systems we own.

The federal government currently provides business investment tax credits under Section 48(a) (the "Section 48(a) ITC") and, for projects that begin construction or are placed in service after December 31, 2024, under Section 48E (the "Section 48E ITC") as well as residential energy credits under Section 25D (the "Section 25D Credit") of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). In August 2022, the Inflation Reduction Act of 2022 (the "IRA") was signed into law. Among other things, the IRA expanded and extended the tax credits available to solar energy projects in an effort to achieve President Biden's non-binding target of net-zero emissions by 2050. The IRA extended the investment tax credit for eligible solar energy projects through at least 2033 and, 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, the investment tax credit percentage can range between 6% and 70%. For projects that begin construction or are placed in service after December 31, 2024, the Section 48(a) ITC will be replaced with the Section 48E ITC, a new clean energy investment tax credit, and the Section 48E ITC percentage will be the same as the percentage for the Section 48(a) ITC and subject to the same requirements to benefit from the full 30%. Following passage of the IRA, we are able to claim the Section 48(a) ITC or the Section 48E ITC, as applicable, for energy storage systems whether attached to a solar energy system or stand-alone. 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".

The IRA also extended the Section 25D Credit, which allows qualifying homeowners who purchase a residential solar energy system and/or energy storage system to apply up to 30% of the cost of installing those systems as a credit against their U.S. federal income taxes, thereby returning a material portion of the purchase price of the residential solar energy system and/or energy storage system to homeowners. Under the terms of the current extension, the 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 the end of 2034, unless it is extended before that time.

Certain states and territories in which we operate offer a personal and/or corporate investment or production tax credit for solar energy. Further, most of the states and local jurisdictions have established sales and/or property tax incentives for renewable energy systems that include exemptions, exclusions, abatements and credits. For a discussion of these and other governmental incentives, see "*Risk Factors—Risks Related to Regulations*" and "*Risk Factors—Risks Related to Taxation*".

Competition

We believe our primary competitors are 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, where applicable), reliability and the ease by which customers can switch to electricity generated by solar energy systems. We believe we compete favorably with centralized electric utilities based on these factors in the states and territories where our customer agreements are offered.

We also compete with retail electric providers and independent power producers that are not regulated like centralized electric utilities but have access to the centralized utilities' electricity transmission and distribution infrastructure pursuant to state, territorial and local pro-competitive and consumer choice policies. Furthermore, we compete with solar companies with vertically-integrated business models, such as Sunrun Inc. In addition, we compete with other solar companies who sell or finance products directly to consumers, inclusive of programs like Property-Assessed Clean Energy, such as Goodleap, LLC and Mosaic, Inc. 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 may also compete with solar companies that have business models similar to our own such as EverBright, LightReach and others, some of which are marketed to potential customers by our dealers and contractors. We compete with these companies based on the availability and competitiveness of the products, the software tools and dealer programs we offer, the overall customer relationship and the commissions we are willing to pay dealers and contractors for the origination of new customers.

Suppliers

The major components of the solar energy systems include (a) solar photovoltaic panels that turn sunlight into direct current ("DC") electricity, (b) inverters that convert solar-generated DC electricity into alternating current ("AC") electricity, the form of energy used by most standard household appliances, (c) racking systems that attach the solar photovoltaic panels to the roof or ground, (d) a remote monitoring system that measures and monitors all energy generated by the solar energy system and provides alerts about system performance and (e) in some cases, an energy storage system that stores excess energy generated by the photovoltaic panels to supplement energy supply during hours when energy consumption exceeds energy produced by the photovoltaic panels or in the event of a grid outage. The solar energy system may also be connected to the electrical grid or other supplemental energy sources, such as electric vehicle chargers, smart load controllers or panels and generators, with additional wiring and electrical hardware.

We require our dealers to choose all major components of the solar energy system or energy storage system from a pre-approved list of manufacturers and models. By allowing dealers to choose from several manufacturers and models without direct supplier obligations, we have greater flexibility to satisfy customer demand, ensure competitive pricing and adequate supply of components and reduce the concentration of warranty risks. We have entered into master contractual arrangements with each vendor on our pre-approved list of vendors that defines the general terms and conditions of our purchases and those of our dealers, including warranties, product specifications, indemnities, delivery and certain other terms. Our dealers typically purchase solar panels and inverters on an as-needed basis from our pre-approved suppliers at then-prevailing prices. At times, we will also procure equipment directly and sell it to our dealers.

For installations of solar energy systems on new homes or businesses, we negotiate pricing directly with the manufacturers for all components used in the solar energy systems. Based upon our production planning model, we position and deliver the material on a just-in-time basis to our dealers to meet the builder requirements.

We evaluate and qualify our manufacturers and their product offerings based on total cost of ownership, reliability, warranty coverage, credit quality and other factors. All equipment must be listed on the California Energy Commission's SB1 List of Eligible Equipment. All approved solar photovoltaic panels must have a minimum 25-year power warranty and 25-year workmanship warranty. We also require approved solar photovoltaic panels to undergo extended reliability testing as an indication of a 25-year or greater lifetime. Beginning in April 2016, we required all our manufacturers carry a 25-year warranty, or offer a warranty extension to 25 years, on all product offerings to be eligible for inclusion on our approved vendor list. Prior to April 2016, we sourced inverter manufacturers offering a warranty of no less than 10 years. All approved racking systems are required to be solar energy system Fire Class Rated A with a Type 1 module per California Fire requirements. Additionally, the racking system must have a Professional Engineers stamp as proof of structural analysis and wind speed certification and the racking system must be certified as conforming to the integrated grounding and bonding requirements of UL Subject 2703. All replacement parts and components must meet or exceed the same standards as those of the original installation.

In September 2018, the Office of the United States Trade Representative ("USTR") determined to modify its prior actions in its investigation into certain acts, policies and practices of the government of China related to technology transfer, intellectual property and innovation pursuant to Section 301 of the Trade Act of 1974 by imposing an additional 10% duty on $200 billion worth of products from China, including photovoltaic cells, modules and inverters. In May 2019, the tariffs were increased from 10% to 25%. In September 2024, USTR announced that tariffs on cells and modules would increase to 50%; and in December 2024, USTR announced 50% tariffs on imported polysilicon and photovoltaic wafers. 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 not subject to these tariffs. However, the cost of solar photovoltaic panels and inverters generally do not comprise a meaningful portion of our operating expenses. In addition, many of the solar photovoltaic panel and inverter manufacturers on our approved vendor list are from countries other than China, including Canada, the U.S., Mexico, Vietnam and Malaysia. See "*Risk Factors—Risks Related to the Solar Industry—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*". These tariffs have not had a material impact on our business or our operations.

Human Capital Management

At Sunnova, our unwavering commitment to service, synergy and sustainability shapes our approach to human capital management. These core values not only reflect our belief in providing better energy service to the communities we service but also underscore our dedication to the well-being and development of our employees. Our governance framework, led by our board of directors (our "Board") and its committees, is structured to align human capital management with our broader business objectives. This includes rigorous oversight of inclusion and diversity programs, employee development, performance management, compensation and succession planning. Our audit committee collaborates closely with our enterprise risk management function to identify and mitigate labor and human capital risks.

By embracing the diversity of our customers, employees and communities, we are committed to creating an inclusive environment that reflects a spectrum of backgrounds and cultures. Our initiatives focus on enhancing attraction, retention and advancement of a diverse workforce, ensuring our team represents the communities we serve. We place a high premium on the continuous training and development of our employees. Our employee training and development programs span e-learning, classroom training, performance management and leadership initiatives. Regular employee surveys provide valuable insights, helping us refine our attraction, retention and advancement strategies and enhance employee engagement. Safety is of paramount importance at Sunnova. Our objective of zero workplace injuries drives our comprehensive safety programs, which include protocols for various operational risks. The well-being of our employees is further supported by comprehensive benefits that protect their health, financial security and foster a sense of ownership through stock incentive programs.

As of December 31, 2024, our dynamic team was comprised of 1,796 employees and is a reflection of our growth and commitment to creating jobs in clean energy. We value our relationships with all our employees, are not party to any collective bargaining agreements, have not experienced any strikes or work stoppages and maintain a focus on positive employee relations. We encourage open dialogue and transparency, with our CEO regularly engaging in townhall meetings to discuss operational results and address employee queries. Additionally, our anonymous hotline ensures employees can voice concerns regarding compliance and ethics comfortably. Sunnova's future is intricately linked with our human capital management. Our focus on integrating our core values into every aspect of employee experience underpins our goal of advancing the energy industry through collaboration, ownership and empowerment. Our commitment to our employees remains central to our mission to power energy independence.

Insurance

We maintain the types and amounts of insurance coverage and self-insurance programs we believe are consistent with customary industry practices and our risk exposures to protect us from catastrophic loss which could impact our financial statements. Our insurance policies cover a broad range of employee and contractor-related accidents and injuries, property damage, business interruption, storm damage, inventory, vehicles, fixed assets, facilities, cyber risk, crime and general liability deriving from our activities. Our insurance policies also cover directors, officers, employment practices and fiduciary liabilities. We obtain tax insurance policies to address potential tax indemnities under our tax equity financing arrangements. We may also be covered for certain liabilities by insurance policies owned by third parties, including, but not limited to, our dealers, contractors and vendors.

Available Information

We file annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Exchange Act. The Securities and Exchange Commission ("SEC") maintains a website at www.sec.gov that contains reports, proxy and information statements and other information we file with the SEC electronically. Copies of our reports on Form 10-K, Form 10-Q, Form 8-K and amendments to those reports may also be obtained, free of charge, electronically on the investor relations page on our website located at investors.sunnova.com as soon as reasonably practical after we file such material with, or furnish it to, the SEC.

We also use the investor relations page on our website as a channel of distribution for important company information. Important information, including press releases, analyst presentations and financial information regarding us, as well as corporate governance information, is routinely posted and accessible on the investor relations page on our website. Information on or that can be accessed through our website is not part of this Annual Report on Form 10-K and the inclusion of our website address is an inactive textual reference only.

Item 1A. Risk Factors.

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 substantial capital in the future. If 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 and ongoing operations. 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 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 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 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 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 financial counterparties and credit rating agencies having continued confidence in our business model and the renewable energy industry as a whole, as well as the liquidity needs and credit ratings of such financing sources themselves. Additionally, we currently expect to 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 we are unable to arrange new or alternative methods of financing on favorable terms, our business, liquidity, financial condition, results of operations and prospects could be materially and adversely affected.

We enter into securitization structures, warehouse financings and other 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 purposes 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 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, 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 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 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 applicable subsidiary's assets. Any 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 a significant amount of 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 obligations.

As of December 31, 2024, our total indebtedness was approximately $8.5 billion and the available borrowing capacity under our credit facilities was $623.8 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. 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, 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, or 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 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 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 to do so*".

If we are unable to generate sufficient cash flows 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 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 there are any defaults or breaches of covenants in our financing agreements, we may not be able to cure such defaults or breaches or obtain waivers from our creditors in order to avoid an event of default under such debt agreements. An event of default under any of our financing agreements could 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 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 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 to do so.

Holders of 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 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 to settle conversions of the Convertible Notes in cash when they come due in December 2026 and February 2028, respectively, or to repurchase the Convertible Notes if a fundamental change under the Convertible Notes indenture were to occur sooner than the respective maturity dates. We may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Convertible Notes surrendered therefor or pay cash for Convertible Notes being converted. Our ability to repurchase the Convertible Notes or to pay cash upon conversions of the Convertible Notes may be further limited by law, by regulatory authority or by agreements governing our indebtedness at the time.

Our failure to repurchase Convertible Notes or Senior Notes at a time when the repurchase is required by the indenture governing such notes or to pay any cash payable on future conversions of the Convertible Notes as required by the indenture or cash payable at maturity or otherwise on the Convertible Notes or Senior Notes would constitute a default. A default under an indenture or the fundamental change itself could also lead to a default under other 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 or repay the Senior Notes. Any default under an indenture governing the Convertible Notes or Senior Notes or any of the other agreements governing our indebtedness could result in a material adverse effect to our financial position, credit rating and reputation.

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 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, assume obligations in connection with letters of credit, or issue guarantees;
- distribute cash from certain subsidiaries or make restricted payments, including redemption of our capital stock or cash payments in lieu of shares;
- make investments or loans;
- create liens;
- consummate mergers and similar fundamental changes;
- make investments in unrestricted subsidiaries;
- enter into transactions with affiliates; and
- sell certain assets or use the proceeds of asset sales.

We may be prevented from taking advantage of business opportunities that 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 of these covenants or our inability to comply with the required financial ratios or financial condition tests could result in a default under our debt agreements that, if not cured or waived, could result in acceleration of all indebtedness outstanding thereunder and cross-default rights under certain of our other debt agreements. 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, indentures or any of our other indebtedness were to be accelerated, our assets may not be sufficient to repay in full the amounts owed to the lenders or to our other debt holders.

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

The U.S. Federal Reserve raised its benchmark interest rates in recent years and may continue these elevated rates in the future. 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 fund our

operations, refinance our existing indebtedness and 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 secured lending to help finance the deployment of our customer agreements. As a result, increased interest rates may have an adverse impact on our ability to offer attractive pricing 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 could make those systems more expensive for customers, lower our operating margins, or both.

The majority of our cash flows to date have been from 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 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 or our profitability.

A ratings downgrade could adversely impact our business.

Certain credit rating agencies, such as Fitch Ratings and Kroll Bond Rating Agency, continuously evaluate us and certain of our subsidiaries. Their ratings of us and our rated subsidiaries' long-term debt and/or short-term obligations are based on firm-specific factors, including the financial strength of us and such subsidiaries, as well as factors that are not entirely within our control, such as the agencies' proprietary rating methodologies and assumptions and conditions affecting the solar industry and markets generally. An inability to maintain our current credit ratings could materially adversely affect our ability to raise capital or obtain credit on commercially reasonable terms, which in turn could impact our liquidity, our ability to service indebtedness, repay or refinance borrowings and other obligations, exercise buyout rights under certain tax equity agreements and finance growth opportunities, and would likely increase our interest costs. Some of the factors that can affect credit ratings are cash flows, liquidity, the amount of debt as a component of total capitalization, changes in regulation and tax law, the rating agencies' treatment of certain financing arrangements and other instruments convertible into or settleable with equity. There can be no assurance that one or more of the ratings of us or our rated subsidiaries will not be lowered or withdrawn entirely by a rating agency. Any of these events could have a material adverse effect on our business, financial condition, results of operations, liquidity and ability to execute our business plan.

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 to our investors, increase the amount of future distributions to our investors and/or transfer additional assets to our tax equity investment funds, 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 and/or other agreed upon dates (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, increase

the amount of future distributions to the tax equity investor and/or transfer 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 Our Business

Historically, we have incurred operating and net losses and 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 for the years ended December 31, 2024, 2023 and 2022, 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, 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 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, investments and results of operations.

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, Trinity accounted for approximately 22%, 10% and 19% of our net originations, respectively. Although we previously entered into a sixty-six month exclusivity agreement with Trinity in October 2022, this exclusivity was terminated in January 2025 and

Trinity is no longer restricted in their ability to 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, 2024, approximately 29%, 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 PREPA bankruptcy, the damage caused by hurricanes and a series of earthquakes that affected the island in December 2019 and early 2020 create periods of uncertainty that may impact our operations*" 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 PREPA bankruptcy, the damage caused by hurricanes and a series of earthquakes that affected the island in December 2019 and early 2020 create periods of uncertainty that may impact our operations.

Puerto Rico is a significant market for our business, representing 17% and 16% of our customers as of December 31, 2024 and 2023, 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 hurricanes, including Ernesto, Fiona, Irma and Maria, 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, the date by which said study must be completed is currently in question due to a lawsuit seeking the nullification of amendments to the net metering 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. 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 Title III Court issued an Order on February 7, 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. In the meantime, 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 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 the imposition of any penalties. 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.

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 technological improvements may allow us to offer lower prices or offer new technology to new customers, the potential inability of our current customers to benefit from certain of those technological improvements could cause those customers to lower the value they 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, 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.

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;
- 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 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.

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.

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.

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;
- 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.

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 previously increased and may increase in the future, and the availability of these products 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, cancelations 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. For the year ended December 31, 2024, Enphase Energy, Inc. and SolarEdge Technologies Inc. accounted for approximately 63% and 26%, respectively, of the inverters used in our solar energy system installations. 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 years ended December 31, 2024 and 2023, Tesla, Inc. accounted for approximately 87% 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. In recent times, the solar industry has experienced shortages of key components or instruments, including solar panels. If such shortages continue, we may be faced with 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 2018. In May 2019, the tariffs were increased from 10% to 25%. 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 rejected the petition, citing the petitioners' ongoing anonymity as one of the reasons for its decision. In March 2022, the DOC announced it 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 were circumventing anti-dumping and countervailing duty orders on solar cells and modules from China. The DOC's inquiries were initiated pursuant to a petition filed by Auxin Solar, Inc. in February 2022.

In December 2022, the DOC announced its preliminary determination in the investigation. In its determination, the DOC 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 preliminarily found that circumvention was occurring through each of the four Southeast Asian countries, the DOC 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 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, in June 2022, former President Biden 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 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 reinstated in June 2024 following the exemption period, but under the DOC's rule, imports of solar cells and modules were not subject to retroactive tariffs during the exemption period. In December 2023, Auxin Solar and Concept Clean Energy commenced a new lawsuit challenging the DOC'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 in February 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'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 263,000 solar energy systems we owned as of December 31, 2024, 24%, 21% and 12% were placed into service in 2024, 2023 and 2022, 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, 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 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. 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, 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 46% of which were located in California and Puerto Rico as of December 31, 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 or 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 software and business technology systems.

We rely on 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 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 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. 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 or 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 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 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 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 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. Some of these competitors specialize in the distributed solar energy market, some may provide energy at lower costs than we do and some may offer similar services and products as we do. 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 of 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.

Customer contracts may be canceled after signing 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 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.

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% of our revenues for the years ended December 31, 2024, 2023 and 2022, 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 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. 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, 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 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 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.

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 have to recognize impairments or lower margins than initially anticipated for certain of our projects. Additionally, if the amount or timing of ITCs received varies from what we have projected, our revenues, margins and cash flows could be adversely affected.

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 company under applicable PREB regulations in connection with the sale and invoicing of energy generated by distributed generation systems having an aggregate capacity of 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 cancelations 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 2024, the Staff of the New Jersey Board of Public Utilities issued a notice stating it calculated the 5.8% threshold was 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 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, 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. Subsequently, the PREB published a draft study on net metering it may use in future cost-shifting arguments and regulatory action in favor of devaluing Puerto Rico net metering. Based on the historical record, we believe the FOMB will likely prevail in invalidating Act 10. Nevertheless, without the 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.

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. Nevertheless, that matter has not been finally adjudicated by the Title III Court and creditors could appeal any final judgement. 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 its 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 Federal Energy Regulatory Commission ("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 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.

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 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 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 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 for U.S. businesses to do business with suppliers and manufacturers of such countries. Changes to U.S. foreign trade policy that restrict our ability to transact with other countries, individuals or entities or to conduct business outside the U.S. could materially and adversely affect our business, financial condition, results of operations and 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 attorneys general and agencies, also can initiate inquiries into market participants, which can lead to investigations and, ultimately, enforcement actions. For example, 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 is adversely determined to the other solar financing companies, they will affect our 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.

Risks Related to Taxation

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, 2024, we had approximately $1.4 billion of U.S. federal NOLs, a portion of which will begin to expire in 2032, and approximately $313.3 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 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, 2024, we have formed 36 tax equity vehicles to which investors such as banks and other large financial investors have committed to invest approximately $4.0 billion. The undrawn committed capital for these tax equity vehicles as of December 31, 2024 is approximately $537.3 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 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. 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, 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.

General Risk Factors

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, 2024, the average FICO® score of our customers for whom we have a FICO® score was 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, 2024, approximately 0.6% 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. 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.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 1C. Cybersecurity.

Cybersecurity, Risk Management and Strategy

Sunnova allocates significant resources to preventing, identifying, and mitigating cybersecurity threats to our technology infrastructure and data.

Managing Material Risks and Integrated Overall Risk Management

A focused team of technology professionals works throughout the year to assess and monitor all matters of risk related to cybersecurity. This team is managed by our Chief Information Security Officer ("CISO"), who oversees cybersecurity processes and controls. We deploy a robust combination of security technologies as technical safeguards throughout our network and utilize a defense-in-depth security methodology to protect, detect and react to threats to our systems and data. We conduct cybersecurity maturity and posture assessments twice annually and adjust our efforts to adapt to the evolving industry and threat landscape. Cybersecurity risks are also assessed as part of our Annual Enterprise Risk Assessment. Our risk management strategy includes multiple programs that manage cybersecurity risk, including the following:

- Alignment of our program with the National Institute of Standards and Technology Cybersecurity Framework ("NIST CSF") to prevent, detect and respond to cyberattacks
- Our Incident Response Program outlines how we process incidents and events from identification to completion with clear definitions on roles, classifications, materiality guidelines and additional processes to support response efforts according to the NIST CSF.
- An information security training program that requires all company employees and contractors with access to our networks to participate in regular and mandatory training on how to be aware of, and help defend against, cyber risks, combined with year-round awareness testing and re-training as necessary
- Regular and robust testing of our systems and processes to assess our cybersecurity posture and resilience, which includes internal and external penetration testing performed by third-party vendors and tabletop incident response exercises
- Coordinated engagements with the Department of Homeland Security and Cyber & Infrastructure Security Agency to ensure alignment with industry and government standards and leverage access to agency resources
- Cybersecurity insurance coverage to mitigate the risk of cybersecurity incidents and review of this coverage annually

Results of all assessments, events and test results inform cybersecurity program direction and activities taken throughout the year.

Engaging Third Parties on Risk Management

Recognizing the complexity and evolving nature of cybersecurity risk, we leverage strategic external partnerships to assist with assessing and mitigating cybersecurity threats to us. For example, we utilize multiple third-party managed security service providers who perform security operations center consulting and investigative duties as a backup to our in-house dedicated cybersecurity team.

Managing Third-Party Risk

We recognize the risks associated with the use of vendors, service providers and other third parties that provide information system services to us, process information on our behalf or have access to our information systems, and we have processes in

place to oversee and manage these risks. We conduct thorough security assessments of these third party engagements and maintain ongoing monitoring to ensure compliance with our cybersecurity standards.

Risks from Cybersecurity Incidents

As of December 31, 2024, we have identified no security incidents or breaches that are material, or likely to be material, to our business strategy, results or financial condition. As such, we have not allocated any material capital towards addressing information security breaches in the last three years, nor have we incurred any material expenses from penalties and settlements related to a material breach during this period. The materiality of an incident is determined by a team convened for an incident, according to guidelines set forth in our incident response policy and process documentation. We believe we are adequately insured against losses related to possible information security breaches and we maintain cybersecurity insurance coverage that we believe is appropriate for the size and complexity of our business.

Board Governance and Oversight

We involve multiple levels of oversight as a part of our approach to cybersecurity risk management.

Risk Management Personnel

Our CISO is responsible for the oversight, implementation and compliance of our cybersecurity program and mitigation of cyber-related risks. Our current CISO has more than 20 years of industry experience and over 5 years of experience with development, training and controls of effective enterprise cybersecurity programs. Our CISO's responsibilities include, but are not limited to, (a) reviewing our enterprise risk register and functional risk register, (b) maintaining adequate processes to manage the identified risks under our cybersecurity program, (c) analyzing logs of cybersecurity threats and vulnerabilities, (d) overseeing prevention, detection, mitigation and remediation efforts and (e) developing, maintaining and ensuring team familiarity with the above mentioned incident response plan. Additionally, we maintain an experienced software and business technology team at the employee level that supports the implementation of our cybersecurity program and internal reporting, security and mitigation functions.

Board of Director Oversight

Our Board has delegated oversight of risks from cybersecurity threats, as well as overall Enterprise Risk Management, to our audit committee. The audit committee reviews and evaluates the effectiveness of our cybersecurity frameworks, policies, programs, opportunities and risk profile, as well as our business continuity and disaster recovery efforts. Members of our audit committee have cybersecurity experience from their principal occupation or other professional experience. Members of software and business technology management, including our CISO, regularly report on our cybersecurity matters to both the audit committee of our Board and the full Board, as follows:

- Management provides quarterly reports to the audit committee regarding our cybersecurity program and risks, and the audit committee in turn provides reports to the full Board as needed. All incidents with critical functional impact are escalated to the Board and audit committee.
- Current information security concerns that arise during the year are escalated in real-time to leadership based on the process defined in our Incident Response Plan. All events and incidents are evaluated against our prioritization and informational impact matrices outlined the plan.

We recognize cyber threats are a permanent part of the overall risk landscape and cybersecurity threats are constantly evolving. For these and other reasons, cybersecurity is a top risk management priority for us.

Item 2. Properties.

Our corporate headquarters is in Houston, Texas, where we occupy approximately 73,800 square feet of office space pursuant to an operating lease that expires in July 2029. We lease additional offices in Texas, Guam, California, Florida, Nevada, Mississippi, New York and Puerto Rico, but do not own any real property. We believe our facilities are adequate and suitable for our current needs and, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

Item 3. Legal Proceedings.

Although we may, from time to time, be involved in litigation, claims and government proceedings arising in the ordinary course of business, we are not a party to any litigation or governmental or other proceeding we believe will have a material adverse impact on our financial position, results of operations or liquidity. 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 settlement or damages that could significantly affect financial results and the conduct of our business.

In February 2024, a purported stockholder class action was filed against us and certain of our current and former individual executives in the Southern District of Texas, Houston Division. In June 2024, the court-appointed lead plaintiffs filed their first amended complaint on behalf of a class of persons who purchased our stock between July 2019 and May 2024, alleging certain statements made during the class period about our business, operations and compliance policies were false and misleading and we failed to disclose customer service complaints and alleged improper business practices. The lead plaintiffs seek an unspecified amount of damages. In August 2024, we filed a motion to dismiss, and in January 2025, the U.S. Magistrate Judge issued a report and recommendation, subject to the district court's approval, recommending our motion to dismiss be granted, but granting lead plaintiffs' request for an opportunity to amend. We believe the lawsuit to be without merit and intend to continue to vigorously defend ourselves.

In June 2024, three purported stockholders filed largely overlapping derivative complaints against us, certain of our current and former individual executives, our current directors and certain of our former directors in the Southern District of Texas, Houston Division. In August 2024, the lawsuits were consolidated into a single lawsuit and a consolidated complaint was filed in September 2024. The consolidated complaint, in addition to naming additional defendants, generally asserts state-law claims for breach of fiduciary duty, unjust enrichment and other similar claims, as well as claims under Sections 10(b) and 14(a) of the Securities Exchange Act of 1934, based on the largely same purported wrongdoing as in the putative securities class action suit. We believe the lawsuit to be without merit and intend to vigorously defend ourselves.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II - OTHER INFORMATION

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock began trading on the NYSE under the symbol "NOVA" on July 25, 2019.

Holders

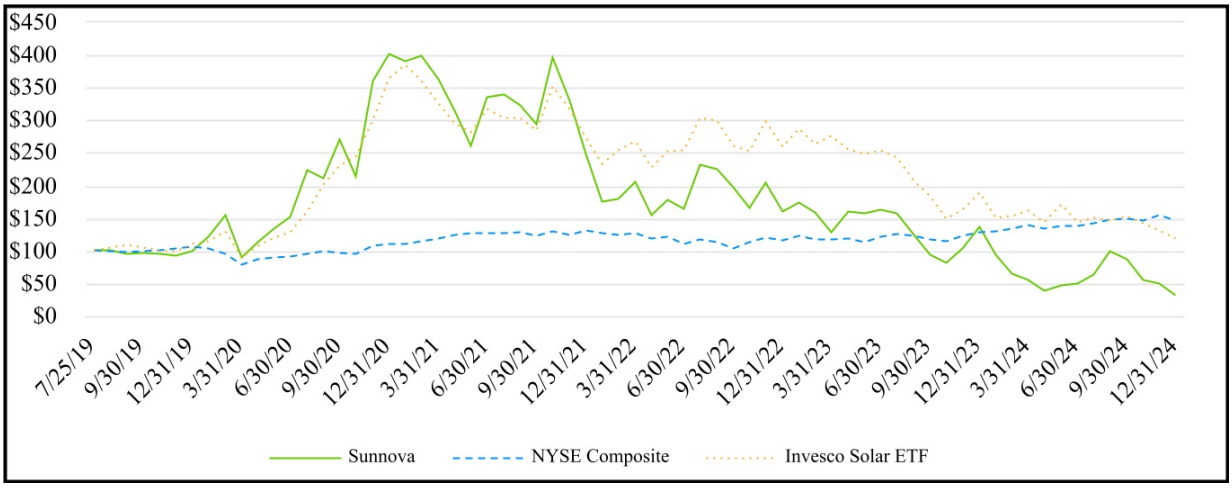
As of February 26, 2025, there were approximately 29 holders of record of our common stock. Certain shares are held in "street" name and, accordingly, the number of beneficial owners of such shares is not known or included in the foregoing number.

Dividends

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not expect to pay any dividends on our capital stock in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our Board, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors our Board may deem relevant. In addition, the terms of our credit agreements and indentures contain restrictions on the payment of dividends and we may also enter into other credit agreements, indentures or other borrowing arrangements in the future that will restrict our ability to declare or pay cash dividends on our capital stock.

Performance Graph

The following stock performance graph compares our total stock return with the total return for (a) the NYSE Composite Index and the (b) the Invesco Solar ETF, which represents a peer group of solar companies, for the period from July 25, 2019 (the date our common stock commenced trading on the NYSE) through December 31, 2024. The figures represented below assume an investment of $100 in our common stock at the closing price of $11.25 on July 25, 2019 and in the NYSE Composite Index and the Invesco Solar ETF on July 25, 2019, including the reinvestment of dividends into shares of common stock. The comparisons in the table are required by the SEC and are not intended to forecast or be indicative of possible future performance of our common stock. This graph shall not be deemed "soliciting material" or be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that section, and shall not be deemed to be incorporated by reference into any of our filings under the Securities Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.



Unregistered Sales of Equity Securities and Use of Proceeds

We did not have any sales of unregistered equity securities during the years ended December 31, 2024, 2023 and 2022 that we have not previously reported on an Annual Report on Form 10-K, Quarterly Report on Form 10-Q or Current Report on Form 8-K.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis contain forward-looking statements that are subject to risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including but not limited to those discussed under "Special Note Regarding Forward-Looking Statements", "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Annual Report on Form 10-K may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Unless the context otherwise requires, the terms "Sunnova", the "Company", "we", "us" and "our" refer to SEI and its consolidated subsidiaries.

Company Overview

See Note 1, Description of Business and Basis of Presentation. In addition, service is an integral part of our agreements and includes monitoring, repairs and replacements, equipment upgrades (as necessary and at our discretion), on-site power optimization for the customer (for both supply and demand), the ability to efficiently switch power sources between the solar energy system and/or energy storage system and the grid, as appropriate, and diagnostics for the solar energy system and energy

storage system. During the life of the contract, we have the opportunity to integrate related and evolving servicing and monitoring technologies and other sustainable home products to upgrade the flexibility and reduce the cost of our customers' energy supply.

In the case of leases and PPAs, we receive tax benefits and other incentives from federal, state and local governments. We utilize tax equity partnerships, tax credit sales, non-recourse debt structures and hedging arrangements in order to fund our upfront costs, overhead and growth investments.

In addition to providing ongoing service as a standard component of our customer agreements, we also offer ongoing energy services to customers who purchased their solar energy system through third parties. Under these arrangements, we agree to provide monitoring, maintenance and/or repair services to these customers for the life of the service contract they sign with us. In addition, we offer one-time repair services to customers who purchased their solar energy systems or sustainable home products through third parties or services that are not otherwise covered by warranty.

Our offerings include non-solar financing for other sustainable home products. Specifically, our offerings include a non-solar loan program enabling customers to finance the purchase of products independent of a solar energy system or energy storage system (such as electric vehicle chargers or generators). We believe the quality and scope of our sustainable home product offerings, whether to customers that obtained their solar energy system or energy storage system through us or through a third party, is a key differentiator between us and our competitors.

We also enter into leases with third-party owners of pools of solar energy systems to receive such third party's interest in those systems. In connection therewith, we assume the related customer PPA and lease rights and obligations, entitling us to future customer cash flows as well as certain credits, rebates and incentives (including SRECs) under those agreements, in exchange for a lease payment, whether upfront or over time, to the third-party owner, which may be made in the form of cash or shares of our common stock. We believe such arrangements enhance our long-term contracted cash flows and are complementary to our overall business model.

We commenced operations in January 2013 and began providing solar energy services under our first solar energy system in April 2013. Since then, our brand, innovation and focused execution have driven growth in our market share and in the number of customers on our platform. We operate one of the largest residential fleets of solar energy systems in the U.S., comprising more than 2,892 megawatts of generation capacity and our diversified offerings of sustainable home solutions serve over 441,000 customers as of December 31, 2024.

Recent Developments

Financing Transactions

In October 2024, we admitted a tax equity investor with a total capital commitment of approximately $95.0 million. In December 2024, we admitted a tax equity investor with a total capital commitment of $500.0 million. In February 2025, a tax equity investor increased its capital commitment from $152.1 million to $176.8 million.

In October 2024, we amended the revolving credit facility by and among Sunnova TEP Holdings, LLC ("TEPH"), certain of our other subsidiaries party thereto, Atlas Securitized Products Holdings, L.P., as administrative agent, and the lenders and other financial institutions party thereto, to, among other things, (a) extend the maturity date from November 2025 to August 2026, (b) extend the date upon which lender commitments terminate (and no further advances are permitted under the TEPH revolving credit facility) from May 2025 to May 2026, (c) require us to maintain a specified minimum working capital amount as of quarterly determination dates, (d) add certain events of default and (e) increase the aggregate commitment amount from $1.361 billion to $1.362 billion.

In October 2024, we voluntarily terminated the revolving credit facility by and among Sunnova Asset Portfolio 9, LLC ("AP9"), Sunnova SLA Management, LLC, Sunnova Asset Portfolio 9 Holdings, LLC, and the lenders party thereto. At the time of termination, no loans were outstanding under the AP9 revolving credit facility. Upon termination, all outstanding obligations under the AP9 revolving credit facility were paid in full and all hedging agreements permitted by the AP9 revolving credit facility were settled.

In December 2024, we amended the revolving credit facility by and among Sunnova EZ-Own Portfolio Holdings, LLC ("EZOP"), certain of our other subsidiaries party thereto, Atlas Securitized Products Holdings, L.P., as administrative agent, and the lenders and other financial institutions party thereto, to, among other things, (a) extend the maturity date from November 2025 to February 2026, (b) decrease the aggregate commitment amount from $875.0 million to $550.0 million, (c) decrease the

maximum facility amount from $1.0 billion to $550.0 million and (d) make certain updates to the definition of "Excess Concentration Amount". In January 2025, we further amended the EZOP revolving credit facility to, among other things, (a) add an event of default if we fail to complete one or more takeout transactions for 95% of the Eligible Solar Loans under and as defined by our EZOP revolving credit facility by March 2025, (b) provide temporary relief from a liquidity reserve step-up event determination made in January 2025 based on a solar loan delinquency test that would have required a reserve account deposit of approximately $7.1 million, which liquidity reserve step-up event was cured in January 2025, (c) require the cash flow waterfall and takeout proceeds to be applied to repay lender advances in full prior to distributions of cash to us, (d) require that by March 2025 we restructure our affiliates providing billing and collections services and operating and maintenance services or engage acceptable third-party back-up vendors, (e) require consent over new borrowings (except to complete any existing partially disbursed borrowings), any partial takeout transactions or certain collateral transfers and (f) remove an amortization event related to maintaining a commitment to (and levels of origination of) solar loans.

In December 2024, we amended the revolving credit facility by and among Sunnova Inventory Supply, LLC ("IS"), Texas Capital Bank, as agent and lender, and the lenders party thereto, to, among other things, increase the amount of letter of credit that can be issued under the IS revolving credit facility from $0 to $6.0 million.

In December 2024, we entered into a notes payable agreement by and among Sunnova Asset Portfolio 8, LLC, Banco Popular de Puerto Rico, as agent, and the lenders party thereto, for an amount of $68.8 million for Class A notes and $6.2 million for Class B notes with a maturity date of October 2059. The Class A and Class B notes bear interest at an annual rate of 6.50% and 6.70%, respectively. The proceeds of the loans under the AP8 credit facility are available to (a) pay expenses related to the offering of the notes, (b) repay a portion of one or more of our existing financing arrangements and (c) finance or refinance, in whole or in part, our existing or new investments and expenditures related to capital investment, research, development, acquisition, manufacturing, distribution, maintenance and operation of solar energy systems and energy storage systems and enabling technologies for solar energy storage and optimization.

In March 2025, one of our subsidiaries entered into a loan facility (the "Solstice loan facility") with a commitment amount of $185.0 million and a maturity date of March 2028. Borrowings under the Solstice loan facility bear interest at an annual rate of 15.00%. The facility is non-recourse to SEI. The proceeds from this facility are, subject to customary conditions, available for paying fees incurred in connection with closing the facility and for general corporate purposes.

In October 2024, one of our subsidiaries issued $295.2 million in aggregate principal amount of Series 2024-3 Class A solar asset-backed notes and $12.9 million in aggregate principal amount of Series 2024-3 Class B solar asset-backed notes (collectively, the "SOLVIII Notes") with a maturity date of July 2059. The SOLVIII Notes bear interest at an annual rate equal to 6.45% and 8.78% for the Class A and Class B notes, respectively.

In December 2024, one of our subsidiaries issued $197.6 million in aggregate principal amount of Series 2024-PR1 Class A solar asset-backed notes, $17.9 million in aggregate principal amount of Series 2024-PR1 Class B solar asset-backed notes and $12.7 million in aggregate principal amount of Series 2024-PR1 Class C solar asset-backed notes (collectively, the "AURI Notes") with a maturity date of October 2059. The AURI Notes bear interest at an annual rate equal to 6.50%, 6.70% and 11.00% for the Class A, Class B and Class C notes, respectively. We used the proceeds of the AURI Notes, together with cash on hand, to repay and voluntarily terminate the credit facility by and among Sunnova Asset Portfolio 8, LLC ("AP8"), Sunnova SLA Management, LLC, Sunnova Asset Portfolio 8 Holdings, LLC, Banco Popular de Puerto Rico, as administrative agent, the lenders and funding agents party thereto and U.S. Bank, National Association, as the custodian. At the time of termination, all outstanding obligations under the AP8 credit facility were paid in full and all hedging agreements permitted by the AP8 credit facility were settled.

In February 2025, one of our subsidiaries issued $282.3 million in aggregate principal amount of Series 2025-P1 Class A solar asset-backed notes and $13.5 million in aggregate principal amount of Series 2025-P1 Class B solar asset-backed notes (collectively, the "SOLIX Notes") with a maturity date of January 2060. The SOLIX Notes bear interest at an annual rate equal to 6.28% and 8.65% for the Class A and Class B notes, respectively.

Securitizations

As a source of long-term financing, we securitize qualifying solar energy systems, energy storage systems and related customer agreements into special purpose entities who issue solar asset-backed and solar loan-backed notes to institutional investors. We also securitize the cash flows generated by the membership interests in certain of our indirect, wholly-owned subsidiaries that are the managing member of a tax equity fund that owns a pool of solar energy systems, energy storage systems and related customer agreements that were originated by one of our wholly-owned subsidiaries. We often obtain public or private credit ratings on our securitizations from nationally recognized statistical rating agencies. The federal government

currently provides business investment tax credits under Section 48(a) (the "Section 48(a) ITC") and residential energy credits under Section 25D (the "Section 25D Credit") of the U.S. Internal Revenue Code of 1986, as amended. For projects that begin construction or are placed in service after December 31, 2024, the Section 48(a) ITC is replaced with investment tax credits under Section 48E(a) (the "Section 48E ITC"). We do not securitize the Section 48(a) ITC incentives, and currently do not plan to securitize any Section 48E ITC incentives, associated with the solar energy systems and energy storage systems as part of these arrangements. However, we securitize the equity interests in tax equity funds that may participate in the sale of such tax credits, and we may also securitize the expected proceeds from the sale of such tax credits. We use the cash flows these solar energy systems and energy storage systems generate to service the monthly, quarterly or semi-annual principal and interest payments on the notes and satisfy the expenses and reserve requirements of the special purpose entities, with any remaining cash distributed to their sole members, who are typically our indirect wholly-owned subsidiaries. In connection with these securitizations, certain of our affiliates receive a fee for managing and servicing the solar energy systems and energy storage systems pursuant to management, servicing, facility administration and asset management agreements. The special purpose entities are also typically required to maintain a liquidity reserve account and a reserve account for equipment replacements and, in certain cases, reserve accounts for financing fund purchase option/withdrawal right exercises or storage system replacement for the benefit of the holders under the applicable series of notes, each of which are funded from initial deposits or cash flows to the levels specified therein. The creditors of these special purpose entities have no recourse to our other assets except as expressly set forth in the terms of the notes. From our inception through December 31, 2024, we have issued $6.4 billion in solar asset-backed and solar loan-backed notes.

Tax Equity Funds

Our ability to offer and finance long-term solar service agreements depends in part on our ability to finance the installation of the solar energy systems and energy storage systems by co-investing with tax equity investors, such as large banks who value the resulting customer receivables and Section 48(a) ITCs or Section 48E ITCs, accelerated tax depreciation and other incentives related to the solar energy systems and energy storage systems, primarily through structured investments known as tax equity. Tax equity investments are generally structured as non-recourse project financings known as tax equity funds. In the context of distributed generation solar energy, tax equity investors make contributions upfront or in stages based on milestones in exchange for a share of the tax attributes and cash flows emanating from an underlying portfolio of solar energy systems and energy storage systems. In these tax equity funds, the U.S. federal income tax attributes offset taxes that otherwise would have been payable on the investors' other operations. The terms and conditions of each tax equity fund vary significantly by investor and by fund. We continue to negotiate with potential investors to create additional tax equity funds.

In general, our tax equity funds are structured using the partnership flip structure. Under partnership flip structures, we and our tax equity investors contribute cash into a partnership. The partnership uses this cash to acquire long-term solar service agreements, solar energy systems and energy storage systems developed by us and sells energy from such solar energy systems and energy storage systems, as applicable, to customers or directly leases the solar energy systems and energy storage systems, as applicable, to customers. We assign these solar service agreements, solar energy systems, energy storage systems and related incentives to our tax equity funds in accordance with the criteria of the specific funds. Upon such assignment and the satisfaction of certain conditions precedent, we are able to draw down on the tax equity fund commitments. The conditions precedent to funding vary across our tax equity funds but generally require that we have entered into a solar service agreement with the customer, the customer meets certain credit criteria, the solar energy system is expected to be eligible for the Section 48(a) ITC or the Section 48E ITC, as applicable, we have a recent appraisal from an independent appraiser establishing the fair market value of the solar energy system and the property is in an approved state or territory. Certain tax equity investors agree to receive a minimum target rate of return, typically on an after-tax basis, which varies by tax equity fund. Prior to receiving a contractual rate of return or a date specified in the contractual arrangements, the tax equity investor receives substantially all of the non-cash value attributable to the solar energy systems and energy storage systems, which includes accelerated depreciation and Section 48(a) ITCs or Section 48E ITCs, as applicable. However, we typically receive a majority of the cash distributions, which are typically paid quarterly. After the tax equity investor receives its contractual rate of return or after a specified date, the partnership flips and we receive substantially all of the cash and tax allocations.

We have determined we are the primary beneficiary in these tax equity funds for accounting purposes. Accordingly, we consolidate the assets and liabilities and operating results of these partnerships in our consolidated financial statements. We recognize the tax equity investors' share of the net assets of the tax equity funds as redeemable noncontrolling interests and noncontrolling interests in our Consolidated Balance Sheets. The income or loss allocations reflected in our Consolidated Statements of Operations may create significant volatility in our reported results of operations, including potentially changing net loss attributable to stockholders to net income attributable to stockholders, or vice versa, from quarter to quarter.

We typically have an option to acquire, and our tax equity investors may have an option to withdraw and require us to purchase, all the equity interests our tax equity investor holds in the tax equity funds starting approximately five years after the

last solar energy system in the applicable tax equity fund is operational. If we or our tax equity investors exercise this option, we are typically required to pay at least the fair market value of the tax equity investor's equity interest and, in certain cases, a contractual minimum amount. Certain of our debt agreements have reserve accounts that can be used for, among other things, financing these purchase option/withdrawal right exercises for the benefit of the holders under the applicable indebtedness. From our inception through December 31, 2024, we have received commitments of approximately $4.0 billion through the use of tax equity funds, of which an aggregate of $3.3 billion has been funded and $537.3 million is committed for use, subject to applicable funding conditions.

Significant Factors and Trends Affecting Our Business

Our results of operations and our ability to grow our business over time could be impacted by a number of factors and trends that affect our industry generally, as well as new offerings of services and products we may acquire/discontinue or seek to acquire/divest in the future. Additionally, our business is concentrated in certain markets, putting us at risk of region-specific disruptions such as adverse economic, regulatory, political, weather and other conditions. See "*Item 1A. Risk Factors*" for further discussion of risks affecting our business.

Financing Availability. Our future growth, profitability and ability to satisfy our obligations depends, in significant part, on our ability to raise capital from third-party investors on competitive terms to help finance the origination of our solar energy systems under our solar service agreements. We have historically used debt, such as convertible senior notes, senior notes, asset-backed and loan-backed securitizations and warehouse facilities, tax equity, preferred equity, common equity and other financing strategies to help fund our operations. With respect to tax equity and tax credit sales, there are a limited number of potential tax equity investors and purchasers of ITCs, and the competition for this investment capital is intense. The principal tax credit on which tax equity investors in our industry rely is the Section 48(a) ITC. Under the IRA, the Section 48(a) ITC was previously (a) 26% of the basis of eligible solar property that began construction after 2019 and was placed in service before 2022 and (b) 30% of the basis of eligible solar property or eligible energy storage property that begins construction before 2025 provided (i) the project satisfies certain labor and apprenticeship requirements, (ii) the project has a maximum net output or capacity of less than one megawatt (as measured in alternating current) or (iii) the project began construction prior to January 29, 2023. If no criterion is satisfied, the base amount of the Section 48(a) ITC will be equal to 6%. 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, the ITC percentage can range between 6% and 70%; however, IRS guidance is limited and not all tax equity investors will invest against the fully enhanced credit. In addition, the Section 48(a) ITC is replaced by the Section 48E ITC for eligible solar energy property or eligible energy storage property that begins construction or is placed in service after 2024, and the Section 48E ITC percentage will generally be the same as the percentage for the Section 48(a) ITC and subject to similar requirements in order to receive the full benefit. 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. Department of Treasury determines greenhouse gas emissions from the production of electricity in the United States are no more than 25% of 2022 levels. We believe our solar energy systems and energy storage systems generally will not be subject to the labor and apprenticeship requirements of the IRA due to the maximum net output or capacity of most of our solar energy systems and energy storage systems. However, solar energy systems and energy storage systems financed by Hestia securitizations are subject to applicable labor and other requirements imposed by the U.S Department of Energy ("DOE") and the U.S. Department of Labor. In addition, the IRA 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 and Section 48E ITC, to third parties for cash. In September 2023, we entered into our first tax credit purchase and sale agreements, and now regularly seek out additional tax credit purchase and sale agreements. It is unclear what long-term effect the ability to transfer Section 48(a) ITCs and Section 48E ITCs 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. We are continuing to evaluate the overall impact and applicability of the IRA to our ability to raise capital from third-party investors.

Our ability to raise capital from third-party investors is also affected by general economic conditions, the state of the capital markets, inflation levels and concerns about our industry, business and liquidity. Specifically, interest rates have risen over the past few years and remain subject to volatility that may result from action taken by the Federal Reserve.

Cost of Solar Energy Systems and Energy Storage Systems. Although we have experienced a prolonged period of component cost declines, upward pressure on prices of solar energy systems and energy storage systems may still occur due to growth in the solar industry, regulatory policy changes, tariffs and duties or inflationary cost pressures. As a result of these developments, we may pay higher prices on solar modules and other cost components, which may make it less economical for us to serve certain markets. While lower costs of components may benefit our growth and profitability, downward pressure on prices of solar energy systems and energy storage systems may lead to impairment of our inventory.

Energy Storage Systems. Our energy storage systems increase our customers' independence from the centralized utility and provide on-site backup power when there is a grid outage due to storms, wildfires, other natural disasters and general power failures caused by supply or transmission issues. In addition, at times it can be more economic to consume less energy from the grid or, alternatively, to export solar energy back to the grid. Recent technological advancements for energy storage systems allow the energy storage system to adapt to pricing and utility rate shifts by controlling the inflows and outflows of power, allowing customers to increase the value of their solar energy system plus energy storage system. The energy storage system charges during the day, making the energy it stores available to the home or business when needed. It also features software that can customize power usage for the individual customer, providing backup power, optimizing solar energy consumption versus grid consumption or preventing export to the grid as appropriate. The software is tailored based on utility regulation, economic indicators and grid conditions. The combination of energy control, increased energy resilience and independence from the grid is strong incentive for customers to adopt solar and energy storage. However, we expect to see a reduction in the amount of energy storage system loans we originate due to a shift in customer demand from solar loans (caused by increased loan financing costs as a result of increased interest rates) to leases and PPAs.

Climate Change Action. As global awareness increases regarding the impact of climate change and as aversion to climate change impacts and the importance of energy resiliency rises, we believe the renewable energy market in which we operate, and investment in climate solutions more broadly, will continue to grow. This trend, along with increasing commitments to reduce carbon emissions, is expected to result in increased demand for our products and services. Under the current presidential administration, the focus on cleaner energy sources and technology to decarbonize the U.S. economy continues to accelerate. The federal government's administration has taken immediate steps that we believe signify support for cleaner energy sources, including, but not limited to, rejoining the Paris Climate Accord, re-establishing a social price on carbon used in cost/benefit analysis for policy making and announcing a commitment to transition the U.S. economy to a net-zero carbon economy by 2050. We expect the government, combined with a closely divided Congress, to continue to take actions that are supportive of the renewable energy industry, such as incentivizing clean energy sources and supporting new investment in areas like renewables. There is no guarantee a new administration or a change in the makeup of Congress would continue to take supportive actions, and such a changed administration may make decisions and/or pass laws that are detrimental to our industry.

Government Regulations, Policies and Incentives. Our growth and operations strategy depends in significant part on government policies and incentives that promote and support solar energy and enhance the economic viability of distributed solar. These policies and incentives come in various forms, including net metering, eligibility for accelerated depreciation such as the modified accelerated cost recovery system, solar renewable energy certificates ("SRECs"), tax abatements, rebates, renewable targets, DOE loan guarantee programs, incentive programs and tax credits, particularly the Section 48(a) ITC, Section 48E ITC and the Section 25D Credit. The IRA expanded and extended the tax credits available to solar energy projects to achieve the government's non-binding target of net-zero emissions by 2050, which we expect will increase demand for our services. The Section 25D Credit allows qualifying homeowners to deduct up to 30% of the cost of installing residential solar energy systems from their U.S. federal income taxes, thereby returning a significant portion of the purchase price of the residential solar energy system to homeowners that may participate in our solar loan programs. Under the terms of the current extension, the residential tax 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 the end of 2034 for residential solar energy systems, unless it is extended before that time. The IRA also extended the investment tax credit for solar energy projects through at least 2033. Policies requiring solar on new roofs, such as those enacted in California and New York City, also support the growth of distributed solar. The sale of SRECs has constituted a significant portion of our revenue historically. A change in the value of net metering credits or SRECs or changes in other policies or a loss or reduction in such incentives (including ITCs) could decrease the attractiveness of distributed solar to us, our dealers and our customers in applicable markets, which could reduce our customer acquisition opportunities. Such a loss or reduction could also reduce our willingness to pursue certain customer acquisitions due to decreased revenue or income under our customer agreements. Additionally, such a loss or reduction may also impact the terms of and availability of third-party financing. If any of these government regulations, policies or incentives are adversely amended, delayed, eliminated, reduced, retroactively changed or not extended beyond their current expiration dates or there is a negative impact from the recent federal law changes or proposals, our operating results and the demand for, and the economics of, distributed solar energy may decline, which could harm our business.

Components of Results of Operations

Revenue. See Note 2, Significant Accounting Policies, to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Cost of Revenue—Customer Agreements and Incentives. Cost of revenue—customer agreements and incentives, which is core to our business operations, represents depreciation on solar energy systems under lease agreements and PPAs that have been placed in service, costs to purchase SRECs on the open market, SREC broker fees, payroll and related costs for Sunnova

personnel who install solar energy systems and energy storage systems and other items deemed to be a cost of providing the service of selling power to customers or potential customers, such as certain costs to service loan agreements, costs for filing under the Uniform Commercial Code ("UCC") to maintain title, title searches, credit checks on potential customers at the time of initial contract and other similar costs, typically directly related to the volume of customers and potential customers.

Cost of Revenue—Solar Energy System and Product Sales. Cost of revenue—solar energy system and product sales represents costs related to cash sales and direct sales, which are core to our business operations, and non-core costs related to the procurement and direct sale of inventory to our dealers or other parties, including shipping and handling costs.

Operations and Maintenance Expense. Operations and maintenance expense represents costs from third parties for maintaining and servicing the solar energy systems, property insurance, property taxes and warranties. When services for maintaining and servicing solar energy systems are provided by Sunnova personnel rather than third parties, those amounts are included in payroll costs classified within general and administrative expense. During the years ended December 31, 2024, 2023 and 2022, we incurred $56.1 million, $49.9 million and $21.2 million, respectively, of Sunnova personnel costs related to maintaining and servicing solar energy systems. In addition, operations and maintenance expense includes write downs and write-offs related to inventory adjustments, gains and losses on disposals, other impairments, non-recoverable costs from terminated dealers and impairments and costs due to natural disaster losses net of insurance proceeds recovered under our business interruption and property damage insurance coverage for natural disasters.

General and Administrative Expense. General and administrative expense represents costs for our employees, such as salaries, bonuses, benefits and all other employee-related costs, including stock-based compensation, professional fees related to legal, accounting, human resources, finance, training, software and business technology services, marketing and communications, acquisition costs, travel and rent and other office-related expenses. General and administrative expense also includes depreciation on assets not classified as solar energy systems, including software and business technology development projects, vehicles, furniture, fixtures, computer equipment and leasehold improvements and accretion expense on AROs. We capitalize a portion of general and administrative costs, such as payroll-related costs, that is related to employees who are directly involved in the design, construction, installation and testing of the solar energy systems but not directly associated with a particular asset. We also capitalize a portion of general and administrative costs, such as payroll-related costs, that is related to employees who are directly associated with and devote time to internal software and business technology development projects, to the extent of the time spent directly on the application and development stage of such software project.

Provision for Current Expected Credit Losses and Other Bad Debt Expense. Provision for current expected credit losses and other bad debt expense primarily represents adjustments to the allowance for credit losses for customer notes receivable that is estimated over the contractual term of the loan agreements based on the best available data at the time.

Goodwill Impairment. Goodwill impairment represents impairment charges as a result of the carrying amount being greater than the fair value.

Other Operating (Income) Expense. Other operating (income) expense primarily represents gains and losses on sales of customer notes receivable, changes in the fair values of certain financial instruments related to our investments in solar receivables and contingent consideration related to the installation and microgrid earnouts.

Interest Expense, Net. Interest expense, net represents interest on our borrowings under our various debt facilities, amortization of debt discounts and deferred financing costs and realized and unrealized gains and losses on derivative instruments.

Interest Income. Interest income represents interest income from the notes receivable under our loan program and income on short term investments with financial institutions.

Loss on Extinguishment of Long-Term Debt, Net. Loss on extinguishment of long-term debt, net resulted from the write off of unamortized deferred financing costs and debt discounts upon the termination of one of our revolving credit facilities.

Other (Income) Expense. Other (income) expense primarily represents changes in the fair value of certain financial instruments related to non-operating assets.

Income Tax (Benefit) Expense. We account for income taxes under Accounting Standards Codification 740, *Income Taxes*. As such, we determine deferred tax assets and liabilities based on temporary differences resulting from the different treatment of items for tax and financial reporting purposes. We measure deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse.

Additionally, we must assess the likelihood that deferred tax assets will be recovered as deductions from future taxable income. We evaluate the recoverability of our deferred tax assets on a quarterly basis. The income tax (benefit) expense includes the effects of taxes incurred in U.S. territories where the tax code for the respective territory may have separate tax reporting requirements, as applicable. We account for ITCs using the flow-through method, which states the tax benefit is to be recognized when the ITC is realizable. For interim reporting, we utilize a forecasted annualized effective tax rate. For tax credit purchase and sale agreements entered into by certain of our consolidated tax equity partnerships, we record our share of the sale as income tax benefit and the tax equity investor's share as an increase to redeemable noncontrolling interests or noncontrolling interests.

Net Income (Loss) Attributable to Redeemable Noncontrolling Interests and Noncontrolling Interests. Net income (loss) attributable to redeemable noncontrolling interests and noncontrolling interests represents tax equity interests in the net income or loss of certain consolidated subsidiaries based on hypothetical liquidation at book value.

Results of Operations—Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

The following table sets forth our Consolidated Statements of Operations data for the periods indicated.

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands)			
Revenue:				
Customer agreements and incentives	$ 541,530	$ 378,136	$ 163,394	43 %
Solar energy system and product sales	298,392	342,517	(44,125)	(13)%
Total revenue	839,922	720,653	119,269	17 %
Operating expense:				
Cost of revenue—customer agreements and incentives	213,407	149,206	64,201	43 %
Cost of revenue—solar energy system and product sales	249,555	278,291	(28,736)	(10)%
Operations and maintenance	104,947	96,997	7,950	8 %
General and administrative	458,982	384,223	74,759	19 %
Provision for current expected credit losses and other bad debt expense	35,094	46,199	(11,105)	(24)%
Goodwill impairment	—	13,150	(13,150)	(100)%
Other operating (income) expense	17,478	(3,978)	21,456	N/M
Total operating expense, net	1,079,463	964,088	115,375	12 %
Operating loss	(239,541)	(243,435)	3,894	(2)%
Interest expense, net	491,172	371,937	119,235	32 %
Interest income	(149,918)	(115,872)	(34,046)	29 %
Loss on extinguishment of long-term debt, net	4,551	—	4,551	N/A
Other expense	6,940	3,949	2,991	76 %
Loss before income tax	(592,286)	(503,449)	(88,837)	18 %
Income tax benefit	(144,513)	(1,023)	(143,490)	N/M
Net loss	(447,773)	(502,426)	54,653	(11)%
Net loss attributable to redeemable noncontrolling interests and noncontrolling interests	(79,880)	(84,465)	4,585	(5)%
Net loss attributable to stockholders	$ (367,893)	$ (417,961)	$ 50,068	(12)%

N/M → not meaningful

Revenue

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands)			
PPA revenue	$ 175,592	$ 123,646	$ 51,946	42 %
Lease revenue	239,018	147,788	91,230	62 %
SREC revenue	58,568	50,375	8,193	16 %
Loan revenue	47,940	34,716	13,224	38 %
Service revenue	11,786	16,197	(4,411)	(27)%
Other revenue	8,626	5,414	3,212	59 %
Customer agreements and incentives	541,530	378,136	163,394	43 %
Inventory sales revenue	106,256	185,855	(79,599)	(43)%
Cash sales revenue	142,786	96,072	46,714	49 %
Direct sales revenue	49,350	60,590	(11,240)	(19)%
Solar energy system and product sales	298,392	342,517	(44,125)	(13)%
Total	$ 839,922	$ 720,653	$ 119,269	17 %

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands except weighted average number of systems and per weighted average system amounts)			
PPA and lease revenue	$ 414,610	$ 271,434	$ 143,176	53 %
Weighted average number of PPA and lease systems	230,600	168,500	62,100	37 %
Per weighted average system	$ 1,798	$ 1,611	$ 187	12 %
Revenue under our loan agreements	$ 47,940	$ 34,716	$ 13,224	38 %
Weighted average number of systems with loan agreements	103,400	85,800	17,600	21 %
Per weighted average system	$ 464	$ 405	$ 59	15 %

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands except number of customers and per customer amounts)			
Cash sales revenue	$ 142,786	$ 96,072	$ 46,714	49 %
Number of cash sales customers	7,200	5,800	1,400	24 %
Per customer	$ 19,831	$ 16,564	$ 3,267	20 %

Customer Agreements and Incentives Revenue. Customer agreements and incentives revenue, which is core to our business operations, increased by 43% (+$163.4 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to an increase in the number of solar energy systems in service. The fluctuations in revenue per weighted average system are affected by (a) market factors, (b) weather seasonality, (c) system sizes and (d) whether the systems include storage. PPA and lease revenue are generated from the solar energy systems and energy storage systems we own. The weighted average number of PPA and lease systems increased from 168,500 for the year ended December 31, 2023 to 230,600 for the year ended December 31, 2024 (+37%). PPA and lease revenue, on a weighted average number of systems basis, increased from $1,611 per system for the year ended December 31, 2023 to $1,798 per system for the same period in 2024 (+12%) primarily due to slightly larger average system sizes and higher battery attachment rates, which increased from 27% for the year ended December 31, 2023 to 34% for the year ended December 31, 2024.

SREC revenue increased by 16% (+$8.2 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to an increase in SREC volume in Massachusetts, resulting in an increase in revenue of $5.0 million, an increase in SREC volume in Pennsylvania, resulting in an increase in revenue of $2.4 million, and an increase in SREC volume in New Jersey, resulting in an increase in revenue of $5.5 million, partially offset by a decrease in average SREC prices in New Jersey, resulting in a decrease in revenue of $4.6 million. The amount of SREC revenue recognized in each period is also affected by the total number of solar energy systems, weather seasonality and hedge and spot prices associated with the timing of the sale of SRECs.

Loan revenue increased by 38% (+$13.2 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to an increase in the weighted average number of systems with loan agreements, which increased from 85,800 for the year ended December 31, 2023 to 103,400 for the year ended December 31, 2024 (+21%). Loan revenue, on a weighted average number of systems basis, increased from $405 per system for the year ended December 31, 2023 to $464 per system for the same period in 2024 (+15%) primarily due to an increase in higher priced products being placed in service. Service revenue decreased by 27% (-$4.4 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to a decrease in the number of one-time transactions for repair services related to third-party solar energy systems.

Solar Energy System and Product Sales Revenue. Solar energy system and product sales revenue decreased by 13% (-$44.1 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to decreases in inventory sales revenue, which is non-core to our business operations, and direct sales revenue, partially offset by an increase in cash sales revenue that increased due to an increase in customers. Inventory sales revenue decreased by 43% (-$79.6 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to our strategic focus to shift away from buying inventory to resell to our dealers or other parties in order to focus on our core business of providing energy services to our customers. Direct sales revenue decreased by 19% (-$11.2 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to a 20% decrease in the number of direct sales solar energy systems and energy storage systems placed in service in 2024 when compared to the same period in 2023. This decrease is partially due to a reduction in our direct sales resources that have been redeployed to other functions and partially due to a change to our in-service methodology in mid-2024 to require additional procedures; thus, these projects now take longer to be placed in service. Cash sales revenue increased by 49% (+$46.7 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to an increase in the number of cash sales customers. This increase in customers is primarily due to more cash sales of storage and solar systems in 2024 whereas only solar systems were sold in 2023. The number of cash sales customers increased from 5,800 for the year ended December 31, 2023 to 7,200 for the year ended December 31, 2024 (+24%). On a per customer basis, cash sales revenue increased from $16,564 per customer for the year ended December 31, 2023 to $19,831 per customer for the same period in 2024 (+20%) primarily due to larger system sizes with more storage included and thus, higher revenue (and higher associated costs).

Cost of Revenue—Customer Agreements and Incentives

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands)			
Depreciation related to solar energy systems and energy storage systems	$ 190,306	$ 130,261	$ 60,045	46 %
Cost of revenue related to service customers, loan agreements and underwriting costs for new customers and solar energy systems	23,101	18,945	4,156	22 %
Total	$ 213,407	$ 149,206	$ 64,201	43 %

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands except weighted average number of systems and per weighted average system amounts)			
Depreciation related to solar energy systems and energy storage systems	$ 190,306	$ 130,261	$ 60,045	46 %
Weighted average number of PPA and lease systems	230,600	168,500	62,100	37 %
Per weighted average system	$ 825	$ 773	$ 52	7 %

Cost of revenue—customer agreements and incentives, which is core to our business operations, increased by 43% (+$64.2 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to an increase in depreciation related to solar energy systems and energy storage systems, which increased by 46% (+$60.0 million). This increase is aligned with the related revenue discussed above, which increased by 53%, and is primarily due to an increase in the weighted average number of PPA and lease systems from 168,500 for the year ended December 31, 2023 to 230,600 for the year ended December 31, 2024 (+37%). On a weighted average number of systems basis, depreciation related to solar energy systems and energy storage systems increased from $773 per system for the year ended December 31, 2023 to $825 per system for the same period in 2024 (+7%). This overall increase is primarily due to a higher percentage of solar energy systems with storage and slightly larger average system sizes.

Cost of revenue related to service customers, loan agreements and underwriting costs (such as credit checks, title searches and the amortization of UCC filing costs) for new customers and solar energy systems increased by 22% (+$4.2 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to increases in costs related to SRECs of $3.2 million, loan agreements of $1.6 million and UCC filings of $1.1 million, partially offset by a decrease of $1.9 million in internal labor costs to perform maintenance services in-house for third party contracts due to lower activity.

Cost of Revenue—Solar Energy System and Product Sales

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands)			
Inventory sales costs	$ 103,332	$ 176,371	$ (73,039)	(41)%
Cash sales costs	85,214	52,644	32,570	62 %
Direct sales costs	59,571	48,049	11,522	24 %
Underwriting and other costs	1,438	1,227	211	17 %
Total	$ 249,555	$ 278,291	$ (28,736)	(10)%

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands except number of customers and per customer amounts)			
Cash sales costs	$ 85,214	$ 52,644	$ 32,570	62 %
Number of cash sales customers	7,200	5,800	1,400	24 %
Per customer	$ 11,835	$ 9,077	$ 2,758	30 %

Cost of revenue—solar energy system and product sales decreased by 10% (-$28.7 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to a decrease in inventory sales costs, which is non-core to our business operations, partially offset by increases in cash sales costs that increased due to an increase in customers and direct sales costs. Inventory sales costs decreased by 41% (-$73.0 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to our strategic focus to shift away from buying inventory to resell to our dealers or other parties in order to focus on our core business of providing energy services to our customers. Cash sales costs increased by 62% (+$32.6 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to an increase in the number of cash sales customers. This increase in customers is primarily due to more cash sales of storage and solar systems in 2024 whereas only solar systems were sold in 2023. The number of cash sales

customers increased from 5,800 for the year ended December 31, 2023 to 7,200 for the year ended December 31, 2024 (+24%). On a per customer basis, cash sales costs increased from $9,077 per customer for the year ended December 31, 2023 to $11,835 per customer for the same period in 2024 (+30%) primarily due to larger system sizes with more storage included and thus, higher costs. Direct sales costs increased by 24% (+$11.5 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023. This increase is primarily due to an increase in direct sales leases and PPAs installed, which have a higher cost basis than the direct sales loans we principally sold in 2023.

Operations and Maintenance Expense

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands)			
Maintenance and servicing of solar energy system and energy storage systems	$ 29,733	$ 37,448	$ (7,715)	(21)%
Property insurance	14,847	11,207	3,640	32 %
Inventory physical count reconciliation adjustments	2,879	9,793	(6,914)	(71)%
Advance of inventory to dealers, not recoverable	8,734	10,505	(1,771)	(17)%
Inventory write down to net realizable value	8,422	6,073	2,349	39 %
Insurance proceeds recovered from damaged inventory, previously impaired	—	(787)	787	N/M
Non-recoverable costs from terminated dealers	23,784	12,261	11,523	94 %
Prepaid design and engineering costs, not recoverable	4,014	—	4,014	N/A
Other impairments	8,072	5,597	2,475	44 %
Warranty and other operations and maintenance expense	4,462	4,900	(438)	(9)%
Total	$ 104,947	$ 96,997	$ 7,950	8 %

N/M → not meaningful

Operations and maintenance expense increased by 8% (+$8.0 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to an increase in charges recognized for non-recoverable costs from terminated dealers of $11.5 million. We recognized impairments on costs paid to certain terminated dealers for work-in-progress solar energy systems and energy storage systems that have cancelled or are estimated to cancel and are not expected to be recovered, along with unearned portions of exclusivity and bonus payments tied to such dealers, which we estimate are not recoverable. We may continue to incur charges of this nature. The increase is also due to (a) charges recognized for non-recoverable prepaid design and engineering costs of $4.0 million, (b) an increase in property insurance costs of $3.6 million due to more assets to insure and an increase in overall premium costs and (c) an increase in other impairments of $2.5 million. This increase is partially offset by decreases in costs related to the maintenance and servicing of solar energy systems and energy storage systems of $7.7 million and inventory-related impairments of $5.5 million. We consider the inventory-related impairments of $20.0 million and $25.6 million in the years ended December 31, 2024 and 2023, respectively, to be non-core in nature and do not expect these types of impairments in the future to be as significant due to our shift in strategic focus in the latter half of 2023 to pivot away from buying inventory to resell in order to focus on our core business of providing energy services to our customers.

General and Administrative Expense

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands)			
Payroll and employee related expense	$ 219,474	$ 191,034	$ 28,440	15 %
Legal, insurance, office and business travel costs	39,933	38,472	1,461	4 %
Consultants, contractors and professional fees	44,678	36,626	8,052	22 %
Amortization expense	30,738	29,583	1,155	4 %
Software and business technology expense	33,204	26,514	6,690	25 %
Depreciation expense not related to solar energy systems and energy storage systems	38,706	23,126	15,580	67 %
Financing deal costs	14,547	1,723	12,824	N/M
Marketing expense	13,029	16,172	(3,143)	(19)%
Sales, franchise, other taxes and bank fees	11,109	10,236	873	9 %
ARO accretion expense	6,652	4,905	1,747	36 %
Other	6,912	5,832	1,080	19 %
Total	$ 458,982	$ 384,223	$ 74,759	19 %

N/M → not meaningful

General and administrative expense increased by 19% (+$74.8 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023, which was reflective of our commitment to proactively expand our platform to serve a consistently growing base of customers and other stakeholders. Payroll and employee related expenses increased by 15% (+$28.4 million) primarily due to the additional employees we hired to serve our growing customer base and to perform maintenance services in-house rather than by third parties (which increased by 12%, or +$6.2 million) related to maintaining and servicing solar energy systems. We believe expanding our team in this area will position us to reduce third-party expense that supports our core business. However, our number of employees decreased by 12% from 2,047 at December 31, 2023 to 1,796 at December 31, 2024. Payroll and employee-related expenses for employees not related to the operations and maintenance work for our customers increased by 16% (+$22.3 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023. Depreciation expense not related to solar energy systems and energy storage systems increased by 67% (+$15.6 million) primarily related to our software and business technology projects, for which depreciation on those assets increased by 72% (+$15.0 million) primarily due to an additional $24.7 million of capitalized software and business technology projects being placed in service during the prior twelve months. Financing deal costs increased by $12.8 million primarily due to non-utilization fees for certain tax equity funds. Consultants, contractors and professional fees increased by 22% (+$8.1 million), software and business technology expense increased by 25% (+$6.7 million), and legal, insurance, office and business travel costs increased by 4% (+$1.5 million) all due to the growth in our customers.

Provision for Current Expected Credit Losses and Other Bad Debt Expense

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands)			
Provision for current expected credit losses and other bad debt expense	$ 35,094	$ 46,199	$ (11,105)	(24)%

The provision for current expected credit losses decreased by 24% (-$11.1 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to a lower volume of loan originations in 2024 compared to 2023 and the sale of certain accessory loans in 2024.

Other Operating (Income) Expense

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands)			
Other operating (income) expense	$ 17,478	$ (3,978)	$ 21,456	N/M

N/M → not meaningful

Other operating (income) expense changed by $21.5 million in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to a loss on sales of customer notes receivable of $43.4 million, partially offset by changes in the fair value of certain financial instruments and contingent consideration of $20.5 million.

Interest Expense, Net

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands)			
Interest expense, net	$ 491,172	$ 371,937	$ 119,235	32 %

Interest expense, net increased by 32% (+$119.2 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023. This increase was primarily due to (a) an increase in interest expense of $125.2 million primarily due to higher levels of average debt outstanding in the year ended December 31, 2024 by 25% (+$1.6 billion) compared to the same period in 2023, resulting in an increase in interest expense of $67.7 million, and an increase in the weighted average interest rates by 0.73%, resulting in an increase in interest expense of $55.3 million, (b) an increase in amortization of deferred financing costs of $34.0 million, (c) an increase in amortization of debt discounts of $11.0 million and (d) a decrease in realized gains on derivatives of $5.6 million, partially offset by a decrease in unrealized losses on derivatives of $63.5 million.

Interest Income

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands except weighted average number of systems and per weighted average system amounts)			
Loan interest income	$ 130,550	$ 98,848	$ 31,702	32 %
Weighted average number of systems with loan agreements, including accessory loans	128,800	120,400	8,400	7 %
Per weighted average system	$ 1,014	$ 821	$ 193	24 %

Interest income increased by 29% (+$34.0 million) in the year ended December 31, 2024 compared to the year ended December 31, 2023. This increase was primarily due to an increase in interest income from our loan agreements of 32% (+$31.7 million). The weighted average number of systems with loan agreements, including accessory loans, increased from approximately 120,400 for the year ended December 31, 2023 to approximately 128,800 for the year ended December 31, 2024. On a weighted average number of systems basis, loan interest income increased from $821 per system for the year ended December 31, 2023 to $1,014 per system for the year ended December 31, 2024 primarily due to the sale of certain accessory loans during 2024, which generate less interest income than non-accessory loans.

Income Tax Benefit

Income tax benefit increased by $143.5 million in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to ITC sales that resulted in an increase to income tax benefit of $141.2 million.

Net Loss Attributable to Redeemable Noncontrolling Interests and Noncontrolling Interests

Net loss attributable to redeemable noncontrolling interests and noncontrolling interests decreased by $4.6 million in the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily due to a decrease in loss attributable to redeemable noncontrolling interests and noncontrolling interests from tax equity funds added in 2022, 2023 and 2024. In addition to the net loss attributable to redeemable noncontrolling interests and noncontrolling interests, total stockholders' equity is increasing as a result of the equity in subsidiaries attributable to parent. This is a result of solar energy systems being sold to the tax equity partnerships at fair market value, which exceeds the cost reflected in the solar energy systems on the Consolidated Balance Sheets.

Results of Operations—Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Year Ended December 31, 2023 Compared to Year Ended December 31, 2022*" in our Annual Report on Form 10-K filed with the SEC on February 22, 2024.

Liquidity and Capital Resources

As of December 31, 2024, we had total cash, cash equivalents and restricted cash of $548.1 million, of which $211.2 million was unrestricted cash. As of December 31, 2024, we also had $623.8 million of available borrowing capacity under our various debt financing arrangements and $537.3 million of undrawn committed capital under our tax equity funds, each of which is subject to certain funding conditions. We may become unable to meet the applicable funding conditions, as a result of which we would be required to seek amendments or waivers under the financing agreements in order to access borrowing capacity and committed capital, or seek alternative financing. There can be no assurance we would be able to obtain such waivers, amendments or alternative financing. The committed capital under our tax equity funds may only be used to purchase and install solar energy systems. The borrowing capacity under our current financing arrangements can be used to support the origination of certain product types (e.g. loan-focused debt financings or lease-focused tax equity, tax credit sales and related debt financing), but they are not typically available for general corporate purposes. Additionally, included in unrestricted cash as of December 31, 2024 was $176.5 million of cash from collateral of our non-recourse financing arrangements held in collection accounts at our special purpose entities that is only available for distribution to us after satisfying the current obligations of, or as service fees we receive from, the applicable special purpose entity each payment period. Certain of these financing arrangements require all excess cash flows from the special purpose entity (subject to certain risk retention exceptions) to be used to repay the financings in full prior to distributing any cash flows to us, including our EZOP revolving credit facility (as amended in January 2025) and the 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. Certain other financing arrangements contain cash trap features that may restrict the distribution of cash to us from the special purposes entity following certain triggering events, including obligations to engage acceptable third-party back-up vendors.

We seek to maintain diversified and cost-effective funding sources to finance and maintain our operations, fund capital expenditures, including customer acquisitions, and satisfy obligations arising from our indebtedness. We evaluate potential liability management transactions in connection with our ongoing efforts to prudently manage our capital structure, improve our liquidity and preemptively address our upcoming maturity dates, which may include debt repurchases, either in the open market or in privately negotiated transactions, refinancings, redemptions, tender offers, exchange offers, asset sales or repayments of bank borrowings. We can provide no assurance as to which, if any, of these alternatives, or combinations thereof, we may choose to pursue in the future, if at all, or as to the timing with respect to any future transactions. Any future borrowings, purchases, exchanges or other transactions may be on the same terms or on terms that are more or less favorable to holders than the terms of any prior transaction. For a discussion of cash requirements from contractual and other obligations, see Note 7, Long-Term Debt, and Note 14, Commitments and Contingencies, to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K. Additionally, we will be subject to an event of default if we fail to complete one or more takeout transactions for 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 we do not have the resources to repurchase the Eligible Solar Loans or repay the related principal amount. Historically, our primary sources of liquidity have been tax equity, recourse debt (including unsecured notes, convertible notes, loans and certain other financing arrangements), non-recourse debt (including warehouse facilities, other credit facilities and investor asset-backed and loan-backed securitizations) and cash generated from operations. IRS guidance that enables enhanced values of Section 48(a) ITCs and Section 48E ITCs based on bonus credits for domestic content, system location and other factors has enabled us to access significant additional tax equity, tax credit sales and related capital. However, the continued availability of these bonus credits and related capital on acceptable terms or at all depends on a variety of factors and risks described elsewhere in this Annual

Report on Form 10-K, and the loss or reduction of any bonus credits or additional capital could have a material adverse effect on our liquidity.

Our business model requires substantial outside financing arrangements to grow the business, facilitate the deployment of additional solar energy systems and fund our operations. However, in order to grow and fund our operations, we will continue to be dependent on financing from outside parties. If financing is not available to us on acceptable terms if and when needed, we may be required to reduce planned spending, which could have a material adverse effect on our operations. While there can be no assurances, we will seek to raise additional required capital, including from new and existing tax equity investors and tax credit purchasers, additional borrowings, securitizations, other potential debt and equity financing sources, debt restructurings, forward-flow arrangements and other asset sales. Our ability to obtain additional sources of funding depends on our future financial position, results of operations and credit ratings, which are subject to general conditions in or affecting our industry and our customers and to general economic, political, competitive, legislative, regulatory and other financial and business factors, some of which are beyond our control. As of December 31, 2024, we were in compliance with all debt covenants under our financing arrangements.

Going Concern

Our unrestricted cash, cash flows from operating activities and availability and commitments under existing financing agreements are not sufficient to meet obligations and fund operations for a period of at least one year from the date we issue our consolidated financial statements without implementing additional measures to manage our working capital, secure additional tax equity investment commitments or waivers of conditions to access existing tax equity commitments, and refinance certain of our obligations. Management's plans to address these conditions are described in Note 2, Significant Accounting Policies, to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K. While management has fully implemented certain aspects of its plan at this time, management cannot conclude completing future components of its plans are probable at this time as certain aspects of these plans are, at least in part, beyond management's unilateral control. Therefore, substantial doubt exists regarding our ability to continue as a going concern for a period of at least one year from the date we issue our consolidated financial statements.

In addition to addressing matters related to the one year period following the date our consolidated financial statements are issued, we intend to evaluate liability management transactions to address our upcoming maturity dates, including our senior notes and convertible notes that mature in September 2026 and December 2026, respectively. However, management can provide no assurance it will be able to address these maturities by the date that is necessary or on terms that are favorable to us.

Financing Arrangements

The following is a description of our various financing arrangements.

Tax Equity Fund Commitments

We intend to establish new tax equity funds in the future depending on their attractiveness, including the availability and size of Section 48(a) ITCs and Section 48E ITCs, and on investor demand for such funding. The terms of the tax equity funds' operating agreements contain allocations of taxable income (loss) and Section 48(a) ITCs that vary over time and adjust between the members after either the tax equity investor receives its contractual rate of return or after a specified date. For additional information regarding our tax equity fund commitments, see Note 10, Redeemable Noncontrolling Interests and Noncontrolling Interests, to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Warehouse and Other Debt Financings

We from time to time enter into warehouse credit facilities as a source of funding. Under the warehouse credit facilities, revolving or term financing is provided to special purpose entities, which are typically our wholly-owned subsidiaries, and secured, directly or indirectly, by qualifying solar energy systems, energy storage systems and/or other sustainable home products and the related customer agreements. The cash flows generated by these customer agreements are used to cover required debt service payments under the related credit facility and satisfy the expenses and reserve requirements of the special purpose entities. The warehouse credit facilities allow for the pooling and transfer of eligible solar energy systems, energy storage systems and/or other sustainable home products and related customer agreements, as applicable, on a non-recourse basis to the subsidiary or us, subject to certain limited exceptions. In connection with these warehouse credit facilities, certain of our affiliates receive a fee for managing and servicing the solar energy systems, energy storage systems and/or other sustainable home products, as applicable, pursuant to management and servicing agreements. The special purpose entities are also typically required to maintain reserve accounts, including, among other reserve accounts that may be required, a liquidity reserve account

and a reserve account for equipment replacements, each of which are funded from initial deposits or cash flows to the levels specified therein.

The warehouse credit facility structures include certain features designed to protect lenders. One of the common primary features relates to certain events, such as the insufficiency of cash flows in the collateral pool of assets to meet contractual requirements, the occurrence of which triggers an early repayment of the loans and limits the relevant borrower's ability to obtain additional advances or distribute funds to us. We refer to this as an amortization event, which may be based on, among other things, a debt service coverage ratio falling or remaining below certain levels, default or delinquency levels of solar loans, home improvement loans, solar energy systems and/or energy storage systems, as applicable, exceeding certain thresholds or excess spread falling below certain levels over a multiple month period. In the event of an amortization event, the availability period under a revolving warehouse credit facility may terminate and the borrower may be required to repay the affected outstanding borrowings using available collections received from the asset pool. However, the period of ultimate repayment would be determined by the amount and timing of collections received. An amortization event would impair our liquidity and may require us to utilize our other available contingent liquidity or rely on alternative funding sources, which may or may not be available at the time.

The debt agreements governing our warehouse credit facilities also typically contain customary events of default for warehouse financings that entitle the lenders to take various actions, including the acceleration of amounts due under the related debt agreement and foreclosure on the borrower's assets. In addition, the debt agreement governing our TEPH revolving credit facility contains contingent stepdowns in advance rates and contingent cash reserve requirements triggered by the failure of Sunnova Energy Corporation to satisfy or maintain specified minimum working capital amounts as of quarterly determination dates. If Sunnova Energy Corporation fails to maintain such specified working capital amounts, the funds otherwise distributable to us under such facilities may become restricted and the availability of advances thereunder may be reduced, which could reduce our available cash and lead to potential prepayment of the facility.

Securitizations

We from time to time securitize customer agreements and related assets as a source of funding. We access the Rule 144A asset-backed securitization market using wholly-owned special purpose entities to securitize pools of assets, which historically have been solar energy systems and the related lease agreements and PPAs and ancillary rights and agreements both directly or indirectly through interests in the managing member of our tax equity funds. We also securitize our loan agreements and ancillary rights and agreements.

The securitization structures include certain features designed to protect investors. The primary feature for our debt financings relates to the availability and adequacy of cash flows in the securitized pool of assets to meet contractual requirements, the insufficiency of which triggers an early repayment of the notes. 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. As of December 31, 2024, we have not had any early amortizations under any of our securitizations. In the event of an early amortization, the notes issuer would be required to repay the affected outstanding securitized borrowings using available collections received from the asset pool. However, the period of ultimate repayment 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 our available non-securitization related contingent liquidity or rely on alternative funding sources, which may or may not be available at the time. 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 under the related indenture and foreclosure on the issuer's assets.

For a complete description of our debt facilities in place as of December 31, 2024 see Note 7, Long-Term Debt, to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Public Offerings

See Note 11, Stockholders' Equity to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2024:

		Payments Due by Period (1)			
	Total	2025	2026-2027	2028-2029	Beyond 2029
		(in thousands)			
Debt obligations (including future interest) (2)	$ 10,510,570	$ 927,782	$ 3,706,458	$ 3,172,912	$ 2,703,418
AROs (3)	383,479	—	—	—	383,479
Operating lease payments	15,411	3,382	6,544	5,485	—
Finance lease payments	12,567	5,125	5,957	1,485	—
Guaranteed performance obligations	8,706	3,527	4,536	643	—
Inventory purchase obligations	108,846	108,846	—	—	—
Other obligations (4)	58,453	42,533	14,375	1,030	515
Total	$ 11,098,032	$ 1,091,195	$ 3,737,870	$ 3,181,555	$ 3,087,412

(1) Does not include amounts related to the contingent obligation to purchase all of a tax equity investor's units upon exercise of their withdrawal rights. The withdrawal price for the tax equity investors' interest in the respective fund is equal to the lesser of: (a) a fixed price and (b) the fair market value of such interest. Due to uncertainties associated with estimating the timing and amount of the withdrawal price, we cannot determine the potential future payments that we could have to make under these withdrawal rights. For additional information regarding the withdrawal rights see Note 10, Redeemable Noncontrolling Interests and Noncontrolling Interests, to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

(2) Interest payments related to long-term debt and interest rate swaps and caps are calculated and estimated for the periods presented based on the amount of debt outstanding and the interest rates as of December 31, 2024.

(3) AROs represents our estimated future retirement obligations on an undiscounted basis.

(4) Other obligations relate to software and business technology services and licenses and distributions payable to redeemable noncontrolling interests.

Historical Cash Flows—Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

The following table summarizes our cash flows for the periods indicated:

	Year Ended December 31,			
	2024	2023	Change	% Change
	(in thousands)			
Net cash used in operating activities	$ (310,848)	$ (237,562)	$ (73,286)	31 %
Net cash used in investing activities	(1,615,775)	(2,544,661)	928,886	(37)%
Net cash provided by financing activities	1,980,332	2,731,051	(750,719)	(27)%
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 53,709	$ (51,172)	$ 104,881	(205)%

Operating Activities

Net cash used in operating activities increased by $73.3 million in the year ended December 31, 2024 compared to the year ended December 31, 2023. This increase is primarily due to an increase in cash outflows from working capital of $198.6 million, partially offset a decrease in cash outflows from our net loss excluding non-cash operating items of $125.2 million. The driver of our operating cash outflow is primarily our interest costs, general and administrative costs, cost of revenue and operations and maintenance costs.

Investing Activities

Net cash used in investing activities decreased by $928.9 million in the year ended December 31, 2024 compared to the year ended December 31, 2023. This decrease is primarily due to a decrease in payments for investments and customer notes

receivable of $606.9 million, a decrease in purchases of property and equipment, primarily solar energy systems, of $189.9 million, an increase in proceeds from sales of customer notes receivable of $84.9 million and an increase in proceeds from customer notes receivable of $45.5 million.

Financing Activities

Net cash provided by financing activities decreased by $750.7 million in the year ended December 31, 2024 compared to the year ended December 31, 2023. This decrease is primarily due to a decrease in net borrowings under our debt facilities of $1.2 billion, a decrease in net proceeds from the issuance of common stock of $83.0 million, a decrease in net contributions from our redeemable noncontrolling interests and noncontrolling interests of $20.8 million and an increase in payments of costs related to redeemable noncontrolling interests and noncontrolling interests of $15.5 million. This decrease is partially offset by an increase in proceeds from sales of investment tax credits of $513.9 million.

Historical Cash Flows—Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Historical Cash Flows—Year Ended December 31, 2023 Compared to Year Ended December 31, 2022*" in our Annual Report on Form 10-K filed with the SEC on February 22, 2024 pursuant to the Securities Exchange Act of 1934, as amended.

Key Operational Metrics

We regularly review a number of metrics, including the following key operational and financial metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate our financial projections and make strategic decisions.

Number of Customers. We define number of customers to include every unique premises on which a Sunnova product or Sunnova-financed product is installed or on which Sunnova is obligated to perform services for a counterparty. We track the total number of customers as an indicator of our historical growth and our rate of growth from period to period.

	As of December 31,		
	2024	2023	Change
Number of customers	441,200	419,200	22,000

Weighted Average Number of Systems. We calculate the weighted average number of systems based on the number of months a customer and any additional service obligation related to a solar energy system is in-service during a given measurement period. The weighted average number of systems reflects the number of systems at the beginning of a period, plus the total number of new systems added in the period adjusted by a factor that accounts for the partial period nature of those new systems. For purposes of this calculation, we assume all new systems added during a month were added in the middle of that month. The number of systems for any end of period will exceed the number of customers, as defined above, for that same end of period as we are also including any additional services and/or contracts a customer or third party executed for the additional work for the same residence or business. We track the weighted average system count in order to accurately reflect the contribution of the appropriate number of systems to key financial metrics over the measurement period.

	Year Ended December 31,		
	2024	2023	2022
Weighted average number of systems, excluding loan agreements and cash sales	283,000	219,100	168,400
Weighted average number of systems with loan agreements, including accessory loans	128,800	120,400	56,500
Weighted average number of systems with cash sales	16,000	9,300	4,000
Weighted average number of systems	427,800	348,800	228,900

Seasonality

See "*Business—Seasonality*".

Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with GAAP which requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, expenses, cash flows and related disclosures. We base our estimates on historical experience and on various other assumptions we believe to be reasonable under the circumstances. In many instances, we could have reasonably used different accounting estimates, and in other instances, changes in the accounting estimates are reasonably likely to occur from period-to-period. Actual results may differ from these estimates. Our future consolidated financial statements will be affected to the extent our actual results materially differ from these estimates.

We identify our most critical accounting estimates as those that are the most pervasive and important to the portrayal of our financial position and results of operations, and that require the most difficult, subjective, and/or complex judgments by management regarding estimates about matters that are inherently uncertain. We believe the assumptions and estimates associated with our principles of consolidation, the valuation of assets acquired and liabilities assumed in acquisitions, the estimated useful life of our solar energy systems, the valuation of the removal assumptions, including costs, associated with AROs, the valuation of redeemable noncontrolling interests and noncontrolling interests and our allowance for current expected credit losses have the greatest subjectivity and impact on our consolidated financial statements. Therefore, we consider these to be our critical accounting estimates and discuss these items in detail below. See Note 2, Significant Accounting Policies, to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K for further discussion of our accounting policies.

Principles of Consolidation

Our consolidated financial statements reflect our accounts and those of our subsidiaries in which we have a controlling financial interest. The typical condition for a controlling financial interest is holding a majority of the voting interests of an entity. However, a controlling financial interest may also exist in entities, such as variable interest entities ("VIEs"), through arrangements that do not involve holding a majority of the voting interests. We consolidate any VIE of which we are the primary beneficiary, which is defined as the party that has (a) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses or receive benefits from the VIE that could potentially be significant to the VIE. We evaluate our relationships with our VIEs on an ongoing basis to determine whether we continue to be the primary beneficiary. We have eliminated all intercompany transactions in consolidation.

Useful Life of Solar Energy Systems

Our solar energy systems have an estimated useful life of 35 years. We considered both (a) available information related to the technology currently being employed in the solar energy systems and (b) the terms of the solar leases that have a 25 year term with two five-year renewal options to conclude a 35 year useful life is appropriate. In addition, we reviewed numerous published and online sources from academia, government institutions and private industry and held discussions with certain manufacturers of our solar energy systems to support our estimated useful life of 35 years for the crystalline silicone solar modules we use. We define the useful life of a solar module as the duration for which a solar module operates at or above 80% of its initial power output, which we understand to be the generally accepted standard used by government, academia and the solar industry.

Depreciation of solar energy systems is calculated using the straight-line method over the estimated useful lives of the solar energy systems and are recorded in cost of revenue—customer agreements and incentives. Depreciation begins when a solar energy system is placed in service. Costs associated with improvements to a solar energy system, which extend the life, increase the capacity or improve the efficiency of the solar energy systems, are capitalized and depreciated over the remaining life of the asset.

ARO

We have AROs arising from contractual or regulatory requirements to perform certain asset retirement activities at the time the solar energy systems are disposed. We recognize an ARO at the point an obligating event takes place, typically when the solar energy system is placed in service. An asset is considered retired when it is permanently taken out of service, such as through a sale or disposal.

The liability is initially measured at fair value based on the present value of estimated removal costs and subsequently adjusted for changes in the underlying assumptions and for accretion expense. We estimate approximately half of our solar energy systems will require removal at our expense in the future. The corresponding asset retirement costs are capitalized as

part of the carrying amount of the solar energy system and depreciated over the solar energy system's remaining useful life. We may revise our estimated future liabilities based on recent actual experiences, changes in certain customer-specific estimates and other cost estimate changes. If there are changes in estimated future costs, those changes will be recorded as either a reduction or addition in the carrying amount of the remaining unamortized asset and the ARO and either decrease or increase depreciation and accretion expense amounts prospectively. Inherent in the calculation of the fair value of our AROs are numerous assumptions and judgments, including the ultimate settlement amounts, inflation factors, credit adjusted discount rates, timing of settlement and changes in the legal, regulatory, environmental and political environments. Due to the intrinsic uncertainties present when estimating asset retirement costs, as well as asset retirement dates, our ARO estimates are subject to ongoing volatility.

Redeemable Noncontrolling Interests and Noncontrolling Interests

Noncontrolling interests represent third-party interests in the net assets of certain consolidated subsidiaries (the tax equity entities). For these tax equity entities, we have determined the appropriate methodology for calculating the noncontrolling interest balances that reflects the substantive economic arrangements in the operating agreements is a balance sheet approach using the hypothetical liquidation at book value ("HLBV") method. Under the HLBV method, the amounts reported as noncontrolling interests in the Consolidated Balance Sheets represent the amounts third-party investors would hypothetically receive at each balance sheet date under the liquidation provisions of the operating agreements, assuming the net assets of the subsidiaries were liquidated at amounts determined in accordance with GAAP and distributed to the investors. The noncontrolling interest balances in these subsidiaries are reported as a component of equity in the Consolidated Balance Sheets. The amount of income or loss allocated to noncontrolling interests in the results of operations for the subsidiaries using HLBV are determined as the difference in the noncontrolling interest balances in the Consolidated Balance Sheets at the start and end of each reporting period, after taking into account any capital transactions between the subsidiaries and the third-party investors. Factors used in the HLBV calculation include GAAP income (loss), taxable income (loss), capital contributions, investment tax credits, distributions and the stipulated targeted investor return specified in the subsidiaries' operating agreements. Changes in these factors could have a significant impact on the amounts that investors would receive upon a hypothetical liquidation. The use of the HLBV method to allocate income (loss) to the noncontrolling interest holders may create volatility in the Consolidated Statements of Operations as the application of HLBV can drive changes in net income or loss attributable to noncontrolling interests from period to period. We classify certain noncontrolling interests with redemption features that are not solely within our control outside of permanent equity in the Consolidated Balance Sheets. Redeemable noncontrolling interests are reported using the greater of the carrying value at each reporting date as determined by the HLBV method or the estimated redemption value at the end of each reporting period. Estimating the redemption value of the redeemable noncontrolling interests requires the use of significant assumptions and estimates, such as projected future cash flows at the time the redemption feature can be exercised. The redeemable noncontrolling interests and noncontrolling interests are recorded net of related issuance costs and net of the basis difference in the solar energy systems transferred to the tax equity entities in the Consolidated Balance Sheets. This basis difference is reflected as equity in subsidiaries attributable to parent in the Consolidated Statements of Redeemable Noncontrolling Interests and Equity. When we exercise our purchase option to purchase the Class A member's interest in a tax equity entity, the difference between the purchase price and carrying value of the redeemable noncontrolling interest or noncontrolling interest immediately prior to the purchase is reflected as an adjustment to accumulated deficit and no gain or loss is recognized in the Consolidated Statements of Operations.

Current Expected Credit Losses

Our allowance for current expected credit losses is deducted from the customer notes receivable amortized cost to present the net amount expected to be collected. It is measured on a collective (pool) basis when similar risk characteristics (such as financial asset type, customer credit rating, contractual term and vintage) exist. In determining the allowance for credit losses, we identify customers with potential disputes or collection issues and consider our historical level of credit losses and current economic trends that might impact the level of future credit losses. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics, such as differences in underwriting standards. Expected credit losses are estimated over the contractual term of the loan agreements based on the best available data at the time, and are adjusted for expected prepayments when appropriate. The contractual term excludes expected extensions, renewals and modifications unless either of the following applies: (a) we have a reasonable expectation at the reporting date that a troubled debt restructuring will be executed with an individual customer or (b) the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancelable by us. We review the allowance quarterly for any significant macroeconomic trends affecting the market but not yet impacting us. Assessments performed throughout the year include normal macroeconomic trends (e.g. delinquency and default and loss rates from leading credit bureaus by industry). While making adjustments to loss rates is ultimately a subjective determination, we have created an internal and external data-driven evaluation process to ensure any adjustments or updates to the model are informed and fact-based prior to executing such a change.

Recent Accounting Pronouncements

See Note 2, Significant Accounting Policies, to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to various market risks in the ordinary course of our business. Market risk is the potential loss that may result from market changes associated with our business or with an existing or forecasted financial or commodity transaction. Our primary exposure includes changes in interest rates because certain borrowings bear interest at floating rates based on SOFR or a similar index plus a specified margin. We sometimes manage our interest rate exposure on floating-rate debt by entering into derivative instruments to hedge all or a portion of our interest rate exposure on certain debt facilities. We do not enter into any derivative instruments for trading or speculative purposes. Changes in economic conditions could result in higher interest rates, thereby increasing our interest expense and operating expenses and reducing funds available for capital investments, operations and other purposes. A hypothetical 10% increase in our interest rates on our variable-rate debt facilities would have increased our interest expense by $15.2 million and $12.1 million for the years ended December 31, 2024 and 2023, respectively.

Item 8. Financial Statements and Supplementary Data.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Sunnova Energy International Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Sunnova Energy International Inc. and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of operations, of redeemable noncontrolling interests and equity and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, as of December 31, 2024, the Company had $211.2 million of cash and cash equivalents, of which $34.7 million is held outside of secured collection accounts, negative working capital of $296.2 million, limited availability under any financing arrangement for general corporate purposes and its convertible senior notes and senior notes due in 2026 were trading significantly below par. Additionally, since inception, the Company has had a history of significant operating losses, operating and investing cash outflows, and at times, working capital deficits. Consequently, the Company has been heavily reliant on debt and equity financing to fund its operations and meet its obligations as they come due. These conditions have raised substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Initial Accounting Assessment of Certain Tax Equity Partnerships (TEPs)

As described in Notes 1 and 2 to the consolidated financial statements, as of December 31, 2024, the Company had approximately $260.6 million of redeemable noncontrolling interests and $592.9 million of noncontrolling interests, a portion of which relates to these TEPs. The Company forms TEPs with its investors in the ordinary course of business to facilitate the funding and monetization of certain attributes associated with the Company's solar energy systems. The typical condition for a controlling financial interest is holding a majority of the voting interests of an entity. However, a controlling financial interest may also exist in entities, such as variable interest entities ("VIEs"), through arrangements that do not involve holding a majority of the voting interests. The Company consolidates a VIE when it is the primary beneficiary, which is defined as the party that has (a) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. As disclosed by management, assets, liabilities and operating results of these partnerships are consolidated in the financial statements. The tax equity investors' share of the net assets of these tax equity funds are recognized as redeemable noncontrolling interests and noncontrolling interests in the consolidated balance sheet. Additionally, management has determined that the appropriate methodology for calculating the noncontrolling interest balances that reflects the substantive economic arrangements in the operating agreements is a balance sheet approach using the hypothetical liquidation at book value ("HLBV") method.

The principal considerations for our determination that performing procedures relating to the initial accounting assessment of certain TEP arrangements is a critical audit matter are the significant judgment by management in the assessment of whether the Company is the primary beneficiary of the TEP, thus requiring consolidation of the entity, as well as the application of the HLBV methodology based on the terms of the operating agreements in the initial year, which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating the initial accounting assessment of whether the Company is the primary beneficiary of the TEP and the application of the HLBV methodology based on the substantive economic arrangements of the TEP operating agreements. In addition, the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of the initial accounting for certain TEPs. These procedures also included, among others, (i) using professionals with specialized skill and knowledge to evaluate the appropriateness of management's application of the HLBV methodology based on the substantive economic arrangements of the TEP operating agreements and (ii) evaluating management's assessment of whether the Company qualifies as the primary beneficiary of the TEP, and therefore consolidates the TEP.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
March 3, 2025

We have served as the Company's auditor since 2014, which includes periods before the Company became subject to SEC reporting requirements.

SUNNOVA ENERGY INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts and share par values)

	Notes	As of December 31, 2024	As of December 31, 2023
Assets			
Current assets:			
Cash and cash equivalents	2	$ 211,192	$ 212,832
Accounts receivable—trade, net	2	43,670	40,767
Accounts receivable—other, net	2, 6	318,330	253,350
Other current assets, net of allowance of $5,550 and $4,659 as of December 31, 2024 and 2023, respectively	2, 4, 6	454,311	429,299
Total current assets		1,027,503	936,248
Property and equipment, net	2, 3	7,411,954	5,638,794
Customer notes receivable, net of allowance of $134,499 and $111,818 as of December 31, 2024 and 2023, respectively	2, 4, 6	3,925,256	3,735,986
Intangible assets, net	2	105,214	134,058
Other assets	2, 4, 6, 8, 14	883,772	895,885
Total assets (1)		$ 13,353,699	$ 11,340,971
Liabilities, Redeemable Noncontrolling Interests and Equity			
Current liabilities:			
Accounts payable	2	$ 699,396	$ 355,791
Accrued expenses	2	131,266	122,355
Current portion of long-term debt	7	327,228	483,497
Other current liabilities	2, 4, 14	165,861	133,649
Total current liabilities		1,323,751	1,095,292
Long-term debt, net	7	8,133,179	7,030,756
Other long-term liabilities	2, 5, 14	1,211,676	1,086,011
Total liabilities (1)		10,668,606	9,212,059
Commitments and contingencies	14		
Redeemable noncontrolling interests	2, 10	260,562	165,872
Stockholders' equity:			
Common stock, 125,067,917 and 122,466,515 shares issued as of December 31, 2024 and 2023, respectively, at $0.0001 par value	11, 12	13	12
Additional paid-in capital—common stock	2, 11, 12	1,785,041	1,755,461
Retained earnings (accumulated deficit)	2	46,590	(228,583)
Total stockholders' equity		1,831,644	1,526,890
Noncontrolling interests	2, 10	592,887	436,150
Total equity		2,424,531	1,963,040
Total liabilities, redeemable noncontrolling interests and equity		$ 13,353,699	$ 11,340,971

(1) The consolidated assets as of December 31, 2024 and 2023 include $7,023,751 and $5,297,816, respectively, of assets of variable interest entities ("VIEs") that can only be used to settle obligations of the VIEs. These assets include cash of $96,508 and $54,674 as of December 31, 2024 and 2023, respectively; accounts receivable—trade, net of $23,950 and $13,860 as of December 31, 2024 and 2023, respectively; accounts receivable—other, net of $280,039 and $187,607 as of December 31, 2024 and 2023, respectively; other current assets of $647,464 and $693,772 as of December 31, 2024 and 2023, respectively; property and equipment, net of $5,827,836 and $4,273,478 as of December 31, 2024 and 2023, respectively; and other assets of $147,954 and $74,425 as of December 31, 2024 and 2023, respectively. The consolidated liabilities as of December 31, 2024 and 2023 include $419,902 and $278,016, respectively, of liabilities of VIEs whose creditors have no recourse to Sunnova Energy International Inc. These liabilities include accounts payable of $293,329 and $197,072 as of December 31, 2024 and 2023, respectively; accrued expenses of $1,330 and $157 as of December 31, 2024 and 2023, respectively; other current liabilities of $8,486 and $7,269 as of December 31, 2024 and 2023, respectively; and other long-term liabilities of $116,757 and $73,518 as of December 31, 2024 and 2023, respectively.

See accompanying notes to consolidated financial statements.

SUNNOVA ENERGY INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)

	Notes	Year Ended December 31, 2024	2023	2022
Revenue:				
Customer agreements and incentives	2	$ 541,530	$ 378,136	$ 280,801
Solar energy system and product sales	2	298,392	342,517	276,889
Total revenue		839,922	720,653	557,690
Operating expense:				
Cost of revenue—customer agreements and incentives	2, 3	213,407	149,206	103,586
Cost of revenue—solar energy system and product sales	2	249,555	278,291	223,491
Operations and maintenance	2	104,947	96,997	36,679
General and administrative	2, 14	458,982	384,223	258,986
Provision for current expected credit losses and other bad debt expense	2, 6	35,094	46,199	43,018
Goodwill impairment	2	—	13,150	—
Other operating (income) expense	2, 6	17,478	(3,978)	(26,566)
Total operating expense, net		1,079,463	964,088	639,194
Operating loss		(239,541)	(243,435)	(81,504)
Interest expense, net	7, 8	491,172	371,937	107,775
Interest income	2, 6	(149,918)	(115,872)	(59,799)
Loss on extinguishment of long-term debt, net	7	4,551	—	—
Other (income) expense		6,940	3,949	(3,090)
Loss before income tax		(592,286)	(503,449)	(126,390)
Income tax (benefit) expense	2, 9	(144,513)	(1,023)	3,886
Net loss		(447,773)	(502,426)	(130,276)
Net income (loss) attributable to redeemable noncontrolling interests and noncontrolling interests	10	(79,880)	(84,465)	31,366
Net loss attributable to stockholders		$ (367,893)	$ (417,961)	$ (161,642)
Net loss per share attributable to stockholders—basic and diluted	13	$ (2.96)	$ (3.53)	$ (1.41)
Weighted average common shares outstanding—basic and diluted	13	124,240,517	118,344,728	114,451,034

See accompanying notes to consolidated financial statements.

SUNNOVA ENERGY INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Notes	Year Ended December 31, 2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss		$ (447,773)	$ (502,426)	$ (130,276)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation	3	229,012	153,387	108,167
Impairment and loss on disposals, net	2	55,904	56,592	8,459
Amortization of intangible assets	2	28,432	28,432	28,441
Amortization of deferred financing costs	2, 7	59,222	25,226	13,640
Amortization of debt discount	7	30,130	19,174	9,342
Non-cash effect of equity-based compensation plans	2, 12	28,192	25,535	24,218
Non-cash direct sales revenue	2	(49,350)	(60,590)	(8,484)
Provision for current expected credit losses and other bad debt expense	2, 6	35,094	46,199	43,018
Unrealized (gain) loss on derivatives	8	3,771	67,318	(19,451)
Unrealized (gain) loss on fair value instruments and equity securities	2	(17,294)	188	(29,279)
Loss on sales of customer notes receivable	6	43,448	—	—
Loss on extinguishment of long-term debt, net	7	4,551	—	—
Other non-cash items		(11,695)	7,332	(34,962)
Changes in components of operating assets and liabilities:				
Accounts receivable	2, 6	(108,220)	101,125	(159,295)
Other current assets	2, 4, 6	(144,361)	(105,743)	(119,794)
Other assets	2, 4, 6, 8, 14	(76,682)	(115,488)	(124,981)
Accounts payable	2	9,210	(5,493)	4,486
Accrued expenses	2	(2,907)	(11,213)	48,385
Other current liabilities	2, 4, 14	22,109	43,665	11,772
Other long-term liabilities	2, 5, 14	(1,641)	(10,782)	(6,832)
Net cash used in operating activities		(310,848)	(237,562)	(333,426)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property and equipment	2, 3	(1,642,838)	(1,832,714)	(868,208)
Payments for investments and customer notes receivable	2, 4, 6	(302,614)	(909,488)	(1,236,228)
Proceeds from customer notes receivable	2, 4, 6	226,256	180,721	109,760
Proceeds from sales of customer notes receivable	6	84,874	—	—
Proceeds from investments in solar receivables	2, 4	11,915	11,582	12,394
Other, net		6,632	5,238	680
Net cash used in investing activities		(1,615,775)	(2,544,661)	(1,981,602)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from long-term debt	7	2,780,375	3,507,828	2,903,727
Payments of long-term debt	7	(1,835,474)	(1,406,022)	(758,355)
Payments on notes payable	7	(8,890)	(7,151)	—
Payments of deferred financing costs	7	(61,053)	(75,920)	(30,791)
Purchase of capped call transactions	7	—	—	(48,420)
Proceeds from issuance of common stock, net	11	(1,668)	81,316	(3,190)
Contributions from redeemable noncontrolling interests and noncontrolling interests	2, 10	1,212,142	692,894	449,398
Distributions to redeemable noncontrolling interests and noncontrolling interests	2, 10	(589,037)	(48,986)	(29,771)
Payments of costs related to redeemable noncontrolling interests and noncontrolling interests	2, 10	(27,412)	(11,881)	(13,091)
Proceeds from sales of investment tax credits for redeemable noncontrolling interests and noncontrolling interests	2	519,906	5,971	—
Other, net		(8,557)	(6,998)	(802)
Net cash provided by financing activities		1,980,332	2,731,051	2,468,705
Net increase (decrease) in cash, cash equivalents and restricted cash		53,709	(51,172)	153,677
Cash, cash equivalents and restricted cash at beginning of period		494,402	545,574	391,897
Cash, cash equivalents and restricted cash at end of period		548,111	494,402	545,574
Restricted cash included in other current assets	2, 4	(78,240)	(62,188)	(51,733)
Restricted cash included in other assets	2, 4	(258,679)	(219,382)	(133,584)
Cash and cash equivalents at end of period		$ 211,192	$ 212,832	$ 360,257

	Year Ended December 31,		
	2024	2023	2022
Non-cash investing and financing activities:			
Change in accounts payable and accrued expenses related to purchases of property and equipment	$ 225,979	$ 69,981	$ 32,008
Change in accounts payable and accrued expenses related to payments for investments and customer notes receivable	$ 4,567	$ (24,025)	$ 31,908
Distributions payable to redeemable noncontrolling interests and noncontrolling interests	$ 87,128	$ 187,940	$ 2,959
Non-cash settlement of receivables and payables with primarily dealers	$ 59,012	$ 19,041	$ —
Supplemental cash flow information:			
Cash paid for interest	$ 440,920	$ 283,985	$ 142,870
Cash paid for income taxes	$ 12,011	$ 14,726	$ 2,000

See accompanying notes to consolidated financial statements.

SUNNOVA ENERGY INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY
(in thousands, except share amounts)

	Redeemable Noncontrolling Interests	Common Stock		Additional Paid-in Capital - Common Stock	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
		Shares	Amount					
December 31, 2021	$ 145,336	113,386,600	$ 11	$ 1,649,199	$ (459,715)	$ 1,189,495	$ 286,782	$ 1,476,277
Net income (loss)	(22,487)	—	—	—	(161,642)	(161,642)	53,853	(107,789)
Issuance of common stock, net	—	1,552,479	—	12,849	—	12,849	—	12,849
Capped call transactions	—	—	—	(48,420)	—	(48,420)	—	(48,420)
Contributions from redeemable noncontrolling interests and noncontrolling interests	84,923	—	—	—	—	—	364,475	364,475
Distributions to redeemable noncontrolling interests and noncontrolling interests	(4,920)	—	—	—	—	—	(24,851)	(24,851)
Costs related to redeemable noncontrolling interests and noncontrolling interests	(3,829)	—	—	—	—	—	(5,373)	(5,373)
Equity in subsidiaries attributable to parent	(33,020)	—	—	—	256,575	256,575	(223,555)	33,020
Equity-based compensation expense	—	—	—	24,218	—	24,218	—	24,218
Other, net	(266)	—	—	1	—	1	(2,694)	(2,693)
December 31, 2022	165,737	114,939,079	11	1,637,847	(364,782)	1,273,076	448,637	1,721,713
Net loss	(8,443)	—	—	—	(417,961)	(417,961)	(76,022)	(493,983)
Issuance of common stock, net	—	7,527,436	1	92,079	—	92,080	—	92,080
Contributions from redeemable noncontrolling interests and noncontrolling interests	382,904	—	—	—	—	—	309,990	309,990
Distributions to redeemable noncontrolling interests and noncontrolling interests	(16,176)	—	—	—	—	—	(32,810)	(32,810)
Costs related to redeemable noncontrolling interests and noncontrolling interests	(8,257)	—	—	—	—	—	(6,302)	(6,302)
Equity in subsidiaries attributable to parent	(348,705)	—	—	—	554,160	554,160	(205,455)	348,705
Equity-based compensation expense	—	—	—	25,535	—	25,535	—	25,535
Other, net	(1,188)	—	—	—	—	—	(1,888)	(1,888)
December 31, 2023	$ 165,872	122,466,515	$ 12	$ 1,755,461	$ (228,583)	$ 1,526,890	$ 436,150	$ 1,963,040

	Redeemable Noncontrolling Interests	Common Stock		Additional Paid-in Capital - Common Stock	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
		Shares	Amount					
December 31, 2023	$ 165,872	122,466,515	$ 12	$ 1,755,461	$ (228,583)	$ 1,526,890	$ 436,150	$ 1,963,040
Net loss	(52,946)	—	—	—	(367,893)	(367,893)	(26,934)	(394,827)
Issuance of common stock, net	—	2,601,402	1	2,464	—	2,465	—	2,465
Contributions from redeemable noncontrolling interests and noncontrolling interests	624,101	—	—	—	—	—	588,041	588,041
Distributions to redeemable noncontrolling interests and noncontrolling interests	(316,527)	—	—	—	—	—	(272,510)	(272,510)
Costs related to redeemable noncontrolling interests and noncontrolling interests	(20,025)	—	—	—	—	—	(15,990)	(15,990)
Distributions payable to redeemable noncontrolling interests and noncontrolling interests	(38,041)	—	—	—	—	—	(49,087)	(49,087)
Investment tax credit sales related to redeemable noncontrolling interests and noncontrolling interests	327,994	—	—	—	—	—	159,693	159,693
Equity in subsidiaries attributable to parent	(416,589)	—	—	—	643,065	643,065	(226,476)	416,589
Equity-based compensation expense	—	—	—	27,115	—	27,115	—	27,115
Other, net	(13,277)	—	—	1	1	2	—	2
December 31, 2024	$ 260,562	125,067,917	$ 13	$ 1,785,041	$ 46,590	$ 1,831,644	$ 592,887	$ 2,424,531

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(1) Description of Business and Basis of Presentation

We are an industry-leading energy services company focused on making clean energy more accessible, reliable and affordable for homeowners and businesses, serving over 441,000 customers in more than 50 United States ("U.S.") states and territories. Sunnova Energy Corporation was incorporated in Delaware on October 22, 2012 and formed Sunnova Energy International Inc. ("SEI") as a Delaware corporation on April 1, 2019. We completed our initial public offering on July 29, 2019 (our "IPO"); and in connection with our IPO, all of Sunnova Energy Corporation's ownership interests were contributed to SEI. Unless the context otherwise requires, references in this report to "Sunnova", the "Company", "we", "our", "us", or like terms, refer to SEI and its consolidated subsidiaries.

We partner with local dealers and contractors who originate, design and install our customers' solar energy systems, energy storage systems and related products and services on our behalf, as well as other sustainable home solutions that we provide to further enhance the efficiency of our customers' investment and contribute towards their adaptive home, such as smart home devices, modern heating, ventilation and air conditioning, generators, upgraded roofing, water systems, water heaters, main panel upgrades and electric vehicle chargers. Our focus on our dealer and contractor model enables us to leverage our dealers' and contractors' specialized knowledge, connections and experience in local markets to drive customer origination while providing our dealers and contractors with access to high quality products at competitive prices, as well as technical oversight and expertise. We believe this structure provides operational flexibility, reduces exposure to labor shortages and lowers fixed costs relative to more vertically-integrated models.

We offer customers products to power and improve the energy efficiency and sustainability of their homes and businesses with affordable solar energy and related products and services. We can offer energy generation savings compared to utility-based retail rates with little to no up-front expense to the customer in conjunction with solar and solar plus energy storage products that also provide energy resiliency. Our customer agreements typically take the form of a legal-form lease (a lease) of a solar energy system and/or energy storage system to the customer, the sale of the solar energy system's output to the customer under a power purchase agreement ("PPA") or the customer's purchase of a solar energy system, energy storage system and/or accessory either with financing provided by us (a loan) or paid in full by the customer (a sale). We also offer service plans and repair services for systems we did not originate. Complementary to our business, in some states we make it possible for a customer to obtain a new roof and/or other ancillary products. We also allow customers originated through our homebuilder channel the option of purchasing the system when the customer closes on the purchase of a new home. The initial term of our customer agreements is typically between 10 and 25 years, during which time we provide or arrange for ongoing services to customers, including monitoring, maintenance and warranty services. Our lease and PPA agreements typically include an opportunity for customers to renew for up to an additional 10 years, via two five-year or one 10-year renewal options. Our ancillary products include both cash sales and loans with an initial term between one year and 20 years. Customer payments and

rates can be fixed for the duration of the customer agreement or escalated at a pre-determined percentage annually. We also receive tax benefits and other incentives from leases and PPAs, a portion of which we finance through tax equity, non-recourse debt structures and hedging arrangements in order to fund our upfront costs, overhead and growth investments.

Basis of Presentation

The accompanying annual audited consolidated financial statements (consolidated financial statements) include our Consolidated Balance Sheets, Statements of Operations, Statements of Cash Flows and Statements of Redeemable Noncontrolling Interests and Equity and have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") from records maintained by us. Our consolidated financial statements include our accounts and those of our subsidiaries in which we have a controlling financial interest. In accordance with the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, *Consolidation*, we consolidate any VIE of which we are the primary beneficiary. We form VIEs with our investors in the ordinary course of business to facilitate the funding and monetization of certain attributes associated with our solar energy systems. The typical condition for a controlling financial interest is holding a majority of the voting interests of an entity. However, a controlling financial interest may also exist in entities, such as VIEs, through arrangements that do not involve holding a majority of the voting interests. A primary beneficiary is defined as the party that has (a) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses or receive benefits from the VIE that could potentially be significant to the VIE. We do not consolidate a VIE in which we have a majority ownership interest when we are not considered the primary beneficiary. We have considered the provisions within the contractual arrangements that grant us power to manage and make decisions that affect the operation of our VIEs, including determining the solar energy systems contributed to the VIEs, and the installation, operation and maintenance of the solar energy systems. We consider the rights granted to the other investors under the contractual arrangements to be more protective in nature rather than substantive participating rights. As such, we have determined we are the primary beneficiary of our VIEs and evaluate our relationships with our VIEs on an ongoing basis to determine whether we continue to be the primary beneficiary. We have eliminated all intercompany transactions in consolidation.

Revisions

We have revised our previously issued interim and annual financial statements to correct immaterial errors related to the presentation of revenue and cost of revenue to comply with the requirements of Rule 5-03, *Statements of comprehensive income*, of Regulation S-X, which requires product, service and other revenues, as well as the associated cost of revenue, to be stated separately in the Consolidated Statements of Operations. Our previously issued interim and annual financial statements did not present such amounts separately in the Consolidated Statements of Operations. We have evaluated the historical presentation in our previously issued interim and annual financial statements and concluded this change in presentation is not material. Impacted periods not presented herein will be revised in future filings. The following table presents the revised presentation of revenue in the Consolidated Statements of Operations:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Revenue:		
Customer agreements and incentives	$ 378,136	$ 280,801
Solar energy system and product sales	342,517	276,889
Total revenue	$ 720,653	$ 557,690

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents cost of revenue as shown in the Consolidated Statements of Operations in our previously issued consolidated financial statements:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Cost of revenue—depreciation	$ 130,261	$ 96,280
Cost of revenue—inventory sales	$ 176,371	$ 178,310
Cost of revenue—other	$ 120,865	$ 52,487

The following table presents the revised presentation of cost of revenue in the Consolidated Statements of Operations:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Cost of revenue—customer agreements and incentives	$ 149,206	$ 103,586
Cost of revenue—solar energy system and product sales	$ 278,291	$ 223,491

Certain other prior period amounts have been revised to conform to the current period presentation. These revisions did not have a significant impact on our consolidated financial statements.

(2) Significant Accounting Policies

Use of Estimates

The application of GAAP in the preparation of the consolidated financial statements requires us to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ materially from those estimates.

Going Concern

We assess going concern uncertainty on a quarterly basis to determine if we have sufficient cash and cash equivalents on hand, working capital and access to capital through financing agreements to operate for a period of at least one year from the date our consolidated financial statements are issued (the look-forward period). Our ability to continue as a going concern is dependent on many factors, including, among other things, our ability to comply with the covenants in our debt agreements, our ability to cure any defaults that may occur under our debt agreements, or forbearances with respect to any such defaults, and our ability to pay, retire, amend, replace or refinance our indebtedness as principal payments come due. Based on conditions that are known and reasonably knowable to us, we consider various scenarios, forecasts, projections and estimates, and we make certain key assumptions, including the timing and nature of projected cash expenditures, among other factors, and our ability to delay or curtail those expenditures, if necessary. We evaluated our liquidity within the look-forward period to determine if there is substantial doubt about our ability to continue as a going concern. In the preparation of this liquidity assessment, we applied judgment to estimate our projected cash flows, including the following: (a) projected cash outflows, (b) projected cash inflows and (c) projected availability under our existing financing arrangements. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may raise substantial doubt as to our ability to continue as a going concern, those uncertainties are disclosed.

Our consolidated financial statements have been prepared assuming we will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As of December 31, 2024, we had $211.2 million of cash and cash equivalents, of which $34.7 million is held outside of secured collection accounts, negative working capital of $296.2 million, limited availability under any financing arrangement for general corporate purposes and our convertible senior notes and senior notes due in 2026 were trading significantly below par. Additionally, since our inception, we have had a history of significant operating losses, operating and investing cash outflows and at times, working capital deficits. Consequently, we have been heavily reliant on debt and equity financing to fund our

operations and meet our obligations as they come due. Based on our current forecast and liquidity assessment, our unrestricted cash and cash equivalents, cash flows from operating activities and availability and commitments under existing financing agreements are not sufficient to meet our obligations and fund operations during the look-forward period. These conditions have raised substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty.

Management's plans to address these conditions include certain or all of the following: (a) refinancing certain of our obligations due during the look-forward period, (b) executing additional debt financing that can be used for general corporate purposes, (c) reducing expenditures, (d) revising dealer payment terms and (e) obtaining tax equity investment commitment that is sufficient to continue operating our business model. We can offer no assurances we will be able to successfully implement any of these plans or obtain financing at acceptable terms or at all. To support executing elements of this plan, we have hired a financial advisor to help us manage certain aspects of our debt management and refinancing efforts. See Note 7, Long-Term Debt for further discussion of our debt obligations.

Cash and Cash Equivalents

We maintain cash and cash equivalents, which consists principally of demand deposits, with investment-grade financial institutions. 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 and upon the satisfaction of certain conditions to distribution. We are exposed to credit risk to the extent cash and cash equivalents balances exceed amounts covered by the Federal Deposit Insurance Corporation ("FDIC"). As of December 31, 2024 and 2023, we had cash and cash equivalents deposits of $189.0 million and $187.0 million, respectively, in excess of the FDIC's current insured limit of $250,000. We have not experienced any losses on our deposits of cash and cash equivalents.

Restricted Cash

We record cash that is restricted as to withdrawal or use under the terms of certain contractual agreements as restricted cash. Our restricted cash primarily represents cash held to service certain payments under our various financing arrangements (see Note 7, Long-Term Debt and Note 10, Redeemable Noncontrolling Interests and Noncontrolling Interests) and balances collateralizing outstanding letters of credit related to a reinsurance agreement and one of our operating leases for office space (see Note 14, Commitments and Contingencies). The following table presents the detail of restricted cash as recorded in other current assets and other assets in the Consolidated Balance Sheets:

	As of December 31,	
	2024	2023
	(in thousands)	
Debt and inverter reserves	$ 257,886	$ 247,394
Tax equity reserves (1)	73,374	25,778
Other	5,659	8,398
Total (2)	$ 336,919	$ 281,570

(1) Amount will be used to purchase eligible solar energy systems.
(2) Of this amount, $78.2 million and $62.2 million is recorded in other current assets as of December 31, 2024 and 2023, respectively.

We are exposed to credit risk to the extent restricted cash balances exceed amounts covered by the FDIC. As of December 31, 2024 and 2023, we had restricted cash deposits of $328.4 million and $274.4 million, respectively, in excess of the FDIC's current insured limit of $250,000. We have not experienced any losses on our deposits of restricted cash.

Accounts Receivable

Accounts Receivable—Trade, Net. Accounts receivable—trade, net primarily represents trade receivables from customers that are generally collected in the subsequent month. Accounts receivable—trade, net is recorded net of an allowance for credit losses, which is based on our assessment of the collectability of customer accounts based on the best available data at the time. We review the allowance by considering factors such as historical experience, customer credit rating, contractual term, aging category and current economic conditions that may affect a customer's ability to pay to identify customers with potential disputes or collection issues. We write off accounts receivable when we deem them uncollectible. The following table presents

the changes in the allowance for credit losses recorded against accounts receivable—trade, net in the Consolidated Balance Sheets:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Balance at beginning of period	$ 2,559	$ 1,676
Provision for current expected credit losses	10,495	4,978
Write off of uncollectible accounts	(8,680)	(4,370)
Recoveries	442	275
Other, net	(115)	—
Balance at end of period	$ 4,701	$ 2,559

Accounts Receivable—Other, Net. Accounts receivable—other, net primarily represents receivables from ITC sales, receivables from sales of customer notes receivable and receivables from our dealers or other parties related to the sale of inventory and the use of inventory procured by us. The following table presents the changes in the allowance for credit losses recorded against accounts receivable—other, net in the Consolidated Balance Sheets:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Balance at beginning of period	$ 13,045	$ —
Provision for current expected credit losses	418	18,402
Write off of uncollectible accounts	(13,178)	(5,357)
Balance at end of period	$ 285	$ 13,045

Inventory

Inventory is stated at the lower of cost and net realizable value using the first-in, first-out method. Inventory primarily represents (a) raw materials, such as energy storage systems, photovoltaic modules, inverters, meters and modems, (b) homebuilder construction in progress and (c) other associated equipment purchased. These materials are typically procured by us and used by our dealers, sold to our dealers or held for use as original parts on new solar energy systems or replacement parts on existing solar energy systems. We remove these items from inventory and record the transaction in typically one of these manners: (a) expense to operations and maintenance expense when installed as a replacement part for a solar energy system, (b) expense to cost of revenue—solar energy system and product sales if sold directly to a dealer or other party, (c) capitalize to property and equipment, net when installed on an existing home or business, (d) expense to cost of revenue—solar energy system and product sales when installed on a new home or business as part of a cash sale or (e) capitalize to property and equipment, net when placed in service under the homebuilder program. We periodically evaluate our inventory for unusable and obsolete items based on assumptions about future demand and market conditions. Based on this evaluation, provisions are made to write inventory down to net realizable value. At least quarterly, we perform a physical count of the majority of our inventory. We reconcile these counts to our records and expense any unreconciled amounts to operations and maintenance

expense. The following table presents the detail of inventory as recorded in other current assets in the Consolidated Balance Sheets:

	As of December 31,	
	2024	2023
	(in thousands)	
Energy storage systems and components	$ 26,289	$ 83,178
Homebuilder construction in progress	85,090	36,461
Modules and inverters	15,184	27,143
Meters and modems	132	1,793
Total	$ 126,695	$ 148,575

Concentrations of Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash, cash equivalents, restricted cash, accounts receivable and notes receivable. The concentrated risk associated with cash, cash equivalents and restricted cash is mitigated by our policy of banking with creditworthy institutions. Typically, amounts on deposit with certain banking institutions exceed FDIC insurance limits. We do not generally require collateral or other security to support accounts receivable. To reduce credit risk related to our relationship with our dealers, management performs periodic credit evaluations and ongoing assessments of our dealers' financial condition.

Concentration of Services and Equipment from Dealers

We utilize a network of approximately 500 dealers as of December 31, 2024. During the year ended December 31, 2024, one dealer accounted for approximately 25% of our total expenditures to dealers. During the year ended December 31, 2023, two dealers accounted for approximately 20% and 16%, respectively, of our total expenditures to dealers. During the year ended December 31, 2022, three dealers accounted for approximately 26%, 16% and 11%, respectively, of our total expenditures to dealers. No other dealer accounted for more than 10% of our expenditures to dealers during the years ended December 31, 2024, 2023 and 2022. As of December 31, 2024 and 2023, we recorded payables to dealers of $385.0 million and $147.8 million, respectively, in accounts payable in the Consolidated Balance Sheets. As of December 31, 2024 and 2023, we recorded accrued expenses to dealers of $12.0 million and $19.1 million, respectively, in accrued expenses in the Consolidated Balance Sheets.

Concentration of Revenue from Dealers

During the year ended December 31, 2024, no dealer accounted for more than 10% of our total revenue. During the year ended December 31, 2023, one dealer accounted for approximately 16% of our total revenue. During the year ended December 31, 2022, one dealer accounted for approximately 16% of our total revenue. No other dealer accounted for more than 10% of our revenue during the years ended December 31, 2024, 2023 and 2022.

Dealer Commitments

We enter into exclusivity and other similar agreements with certain key dealers pursuant to which we agree to pay an incentive if such dealers install a certain minimum number of solar energy systems within specified periods. These incentives are recorded in other assets in the Consolidated Balance Sheets and are amortized using the straight-line method to general and administrative expense in the Consolidated Statements of Operations generally over the term of the customer agreements, which is estimated at an average of 23 years. See Note 14, Commitments and Contingencies.

Fair Value of Financial Instruments

Fair value is an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions market participants would use in pricing an asset or a liability. Valuation

techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 establishes a three-tier fair value hierarchy, which prioritizes inputs that may be used to measure fair value as follows:

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

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy must be determined based on the lowest level input that is significant to the fair value measurement. An assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and consideration of factors specific to the asset or liability. Our financial instruments include cash, cash equivalents, accounts receivable, customer notes receivable, investments in solar receivables, accounts payable, accrued expenses, long-term debt, interest rate swaps and caps and contingent consideration. The carrying values of accounts receivable, accounts payable and accrued expenses approximate the fair values due to the fact that they are short-term in nature (Level 1). We estimate the fair value of our customer notes receivable based on interest rates currently offered under the loan program with similar maturities and terms (Level 3). We estimate the fair value of our investments in solar receivables based on a discounted cash flows model that utilizes market data related to solar irradiance, production factors by region and projected electric utility rates in order to build up revenue projections (Level 3). In addition, lease-related revenue and maintenance and service costs were supported through the use of available market studies and data. We estimate the fair value of our fixed-rate long-term debt based on an analysis of debt with similar book values, maturities, observed market trading prices and required market yields based on current interest rates (Level 3). We determine the fair values of the interest rate derivative transactions based on a discounted cash flow method using contractual terms of the transactions and counterparty credit risk as key inputs. The floating interest rate is based on observable rates consistent with the frequency of the interest cash flows (Level 2). For contingent consideration, we estimate the fair value of the installation earnout using the Monte Carlo model based on the forecasted placements for the installations and the microgrid earnout using a scenario-based methodology based on the probabilities of the microgrid earnout, both using Level 3 inputs. See Note 6, Customer Notes Receivable, Note 7, Long-Term Debt and Note 8, Derivative Instruments.

The following tables present our financial instruments measured at fair value on a recurring basis as of December 31, 2024 and 2023:

	As of December 31, 2024			
	Total	Level 1	Level 2	Level 3
	(in thousands)			
Financial assets:				
Investments in solar receivables	$ 67,720	$ —	$ —	$ 67,720
Derivative assets	11,954	—	11,954	—
Total	$ 79,674	$ —	$ 11,954	$ 67,720
Financial liabilities:				
Contingent consideration	$ 2,157	$ —	$ —	$ 2,157
Total	$ 2,157	$ —	$ —	$ 2,157

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	As of December 31, 2023			
	Total	Level 1	Level 2	Level 3
	(in thousands)			
Financial assets:				
Investments in solar receivables	$ 69,334	$ —	$ —	$ 69,334
Derivative assets	55,471	—	55,471	—
Total	$ 124,805	$ —	$ 55,471	$ 69,334
Financial liabilities:				
Contingent consideration	$ 19,916	$ —	$ —	$ 19,916
Total	$ 19,916	$ —	$ —	$ 19,916

Changes in the fair value of our investments in solar receivables are included in other operating (income) expense in the Consolidated Statements of Operations. The following table summarizes the change in the fair value of our financial assets accounted for at fair value on a recurring basis using Level 3 inputs as recorded in other current assets and other assets in the Consolidated Balance Sheets:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Balance at beginning of period	$ 69,334	$ 72,171
Additions	—	969
Settlements	(11,990)	(11,528)
Gain recognized in earnings	10,376	7,722
Balance at end of period	$ 67,720	$ 69,334

Changes in the fair value of our contingent consideration are included in other operating (income) expense in the Consolidated Statements of Operations. The following table summarizes the change in the fair value of our financial liabilities accounted for at fair value on a recurring basis using Level 3 inputs as recorded in other long-term liabilities in the Consolidated Balance Sheets:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Balance at beginning of period	$ 19,916	$ 26,787
Settlements	(3,901)	(10,832)
(Gain) loss recognized in earnings	(13,858)	3,961
Balance at end of period	$ 2,157	$ 19,916

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the significant unobservable inputs used in the valuation of our liabilities as of December 31, 2024 using Level 3 inputs:

	Unobservable Input	Weighted Average
Liabilities:		
Contingent consideration - installation earnout	Volatility	30.00%
	Revenue risk premium	15.16%
	Risk-free discount rate	4.37%
Contingent consideration - microgrid earnout	Probability of success	5.00%
	Risk-free discount rate	4.37%

Significant increases or decreases in the volatility, revenue risk premium, probability of success or risk-free discount rate in isolation could result in a significantly higher or lower fair value measurement. As of December 31, 2024, the amount of contingent consideration that could be paid has an estimated maximum value of $4.4 million and a minimum value of $1.6 million.

Derivative Instruments

Our derivative instruments consist of interest rate swaps and caps that are not designated as cash flow hedges or fair value hedges. We use interest rate swaps and caps to manage our net exposure to interest rate changes. We record the derivatives in other current assets, other assets, other current liabilities and other long-term liabilities, as appropriate, in the Consolidated Balance Sheets and the changes in fair value are recorded in interest expense, net in the Consolidated Statements of Operations. We include unrealized gains and losses on derivatives as a non-cash reconciling item in operating activities in the Consolidated Statements of Cash Flows. We include realized gains and losses on derivatives as a change in components of operating assets and liabilities in operating activities in the Consolidated Statements of Cash Flows. See Note 8, Derivative Instruments.

Revenue

The following table presents the detail of revenue as recorded in the Consolidated Statements of Operations:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
PPA revenue	$ 175,592	$ 123,646	$ 104,563
Lease revenue	239,018	147,788	100,070
Solar renewable energy certificate revenue	58,568	50,375	48,698
Loan revenue	47,940	34,716	18,601
Service revenue	11,786	16,197	4,178
Other revenue	8,626	5,414	4,691
Customer agreements and incentives	541,530	378,136	280,801
Inventory sales revenue	106,256	185,855	195,980
Cash sales revenue	142,786	96,072	72,425
Direct sales revenue	49,350	60,590	8,484
Solar energy system and product sales	298,392	342,517	276,889
Total	$ 839,922	$ 720,653	$ 557,690

We recognize revenue from contracts with customers as we satisfy our performance obligations at a transaction price reflecting an amount of consideration based upon an estimated rate of return, net of cash incentives. We express this rate of return as the solar rate per kilowatt hour ("kWh") in the customer contract. The amount of revenue we recognize does not equal customer cash payments because we satisfy performance obligations ahead of cash receipt or evenly as we provide continuous access on a stand-ready basis to the solar energy system. We reflect the differences between revenue recognition and cash payments received in accounts receivable, other assets or deferred revenue, as appropriate. Revenue allocated to remaining

performance obligations represents contracted revenue we have not yet recognized and includes deferred revenue and amounts we will invoice and recognize as revenue in future periods. Contracted but not yet recognized revenue related to our lease agreements was approximately $7.6 billion as of December 31, 2024, of which we expect to recognize approximately 4% over the next 12 months. Given the contracts in place at December 31, 2024, we do not expect the annual recognition to vary significantly over approximately the next 19 years as the majority of existing customer agreements have at least 19 years remaining, given the average age of the fleet of solar energy systems under contract is less than four years.

Certain customers may receive cash incentives. We defer recognition of the payment of these cash incentives and recognize them over the life of the contract as a reduction to revenue. The deferred payment is recorded in other assets for customers who receive the cash incentives under our lease and PPA agreements, and as a contra-liability in other long-term liabilities for customers who receive the cash incentives under our loan agreements.

PPA Revenue. Customers purchase electricity from us under PPAs. Pursuant to ASC 606, *Revenue from Contracts with Customers*, we recognize revenue based upon the amount of electricity delivered as determined by remote monitoring equipment at solar rates specified under the PPAs. All customers must pass our credit evaluation process. The PPAs generally have a term of 20 or 25 years with an opportunity for customers to renew for up to an additional 10 years, via two five-year or one 10-year renewal options.

Lease Revenue. We are the lessor under lease agreements for solar energy systems and energy storage systems, which do not meet the definition of a lease under ASC 842, *Leases*. Accordingly, we account for these agreements as contracts with customers under ASC 606, *Revenue from Contracts with Customers*. We recognize revenue on a straight-line basis over the contract term as we satisfy our obligation to provide continuous access to the solar energy system. All customers must pass our credit evaluation process. The lease agreements generally have a term of 20 or 25 years with an opportunity for customers to renew for up to an additional 10 years, via two five-year or one 10-year renewal options.

In most cases, we provide customers under our lease agreements a performance guarantee that each solar energy system will achieve a certain specified minimum solar energy production output, which is a significant proportion of its expected output. The solar energy system may not achieve the specified minimum solar energy production output due to natural fluctuations in the weather or equipment failures from exposure and wear and tear outside of our control, among other factors. We determine the amount of the guaranteed output based on a number of different factors, including: (a) the specific site information related to the tilt of the panels, azimuth (a horizontal angle measured clockwise in degrees from a reference direction) of the panels, size of the system, and shading on site; (b) the calculated amount of available irradiance (amount of energy for a given flat surface facing a specific direction) based on historical average weather data and (c) the calculated amount of energy output of the solar energy system. While actual irradiance levels can significantly change year over year due to natural fluctuations in the weather, we expect the levels to average out over the term of a lease and to approximate the levels used in determining the amount of the performance guarantee. Generally, weather fluctuations are the most likely reason a solar energy system may not achieve a certain specified minimum solar energy production output.

If the solar energy system does not produce the guaranteed production amount, we must refund a portion of the previously remitted customer payments, where the repayment is calculated as the product of (a) the shortfall production amount and (b) the dollar amount (guaranteed rate) per kWh that is fixed throughout the term of the contract. These remittances of a customer's payments, if needed, are payable as early as the first anniversary of the solar energy system's placed in service date and then every annual period thereafter. See Note 14, Commitments and Contingencies.

Solar Renewable Energy Certificate Revenue. Each solar renewable energy certificate ("SREC") represents the environmental benefit of one megawatt hour (1,000 kWh) generated by a solar energy system. SRECs can be sold separate from the actual electricity generated by the renewable-based generation source. We account for the SRECs we generate from our solar energy systems as governmental incentives with no costs incurred to obtain them and do not consider those SRECs output of the underlying solar energy systems. We classify these SRECs as inventory held until sold and delivered to third parties. As we did not incur costs to obtain these governmental incentives, the inventory carrying value for the SRECs was $0 as of December 31, 2024 and 2023. We enter into economic hedges related to expected production of SRECs through forward contracts. While these fixed price forward contracts serve as an economic hedge against spot price fluctuations for the SRECs, the contracts do not qualify for hedge accounting and are not designated as cash flow hedges or fair value hedges. The contracts require us to physically deliver the SRECs upon settlement. We recognize the related revenue under ASC 606 upon satisfaction of the performance obligation to transfer the SRECs to the stated counterparty. Upon a sale, the purchaser of the SREC typically pays within one month of receiving the SREC. The costs related to the sales of SRECs are generally limited to broker fees (recorded in cost of revenue—customer agreements and incentives), which are only paid in connection with certain transactions. In certain circumstances we are required to purchase SRECs on the open market to fulfill minimum delivery requirements under our forward contracts.

Loan Revenue. See discussion of loan revenue in the "*Loans*" section below.

Service Revenue. Service revenue includes sales of service plans and repair services. Service plans are available to customers whose solar energy system was not originally sold by Sunnova. We recognize revenue from service plan contracts on a straight-line basis over the life of the contract, which is typically 10 years. We recognize revenue from repair services in the period in which we perform the service.

Other Revenue. Other revenue includes certain state and utility incentives. We recognize revenue from state and utility incentives in the periods in which they are earned.

Inventory Sales Revenue. Inventory sales revenue represents revenue from the direct sale of inventory to our dealers or other parties. We recognize the related revenue under ASC 606 upon shipment or upon sale when a bill and hold agreement is in place. We include shipping and handling costs in cost of revenue—solar energy system and product sales in the Consolidated Statements of Operations.

Cash Sales Revenue. Cash sales revenue represents revenue from a customer's purchase of a solar energy system from us typically when purchasing a new home. We recognize the related revenue under ASC 606 upon verification of the home closing.

Direct Sales Revenue. Direct sales revenue includes revenue from the direct sale of solar energy systems and energy storage systems to customers when we provide the financing. We recognize revenue from the direct sale of solar energy systems and energy storage systems in the period we place the systems in service.

Loans

We offer a loan program, under which the customer finances the purchase of a solar energy system, energy storage system and/or accessory through a customer agreement, typically for a term of 10, 15 or 25 years. We recognize cash payments received from customers on a monthly basis under our loan program (a) as interest income, to the extent attributable to earned interest on the contract that financed the customer's purchase; (b) as a reduction of a note receivable on the balance sheet, to the extent attributable to a return of principal (whether scheduled or prepaid) on the contract that financed the customer's purchase; and (c) as revenue, to the extent attributable to payments for operations and maintenance services provided by us. To qualify for the loan program, a customer must pass our credit evaluation process, which requires the customer to have a minimum FICO® score of 600 to 780 depending on certain circumstances, and we secure the loans with the solar energy systems, energy storage systems or accessories financed. We evaluate the customer's credit once for each customer at the time the customer enters into the customer agreement.

Our investments in solar energy systems, energy storage systems and/or accessories related to the loan program that are not yet placed in service are recorded in other assets in the Consolidated Balance Sheets and are transferred to customer notes receivable upon being placed in service. Customer notes receivable are recorded at amortized cost, net of an allowance for credit losses (as described below), in other current assets and customer notes receivable, net in the Consolidated Balance Sheets. Accrued interest receivable related to our customer notes receivable is recorded in accounts receivable—trade, net in the Consolidated Balance Sheets. Interest income from customer notes receivable is recorded in interest income in the Consolidated Statements of Operations. The amortized cost of our customer notes receivable is equal to the principal balance of customer notes receivable outstanding and does not include accrued interest receivable. Customer notes receivable continue to accrue interest until they are written off against the allowance unless the balance is in the process of collection. Customer notes receivable are considered past due one day after the due date based on the contractual terms of the loan agreement. In all cases, customer notes receivable balances are placed on a nonaccrual status or written off at an earlier date when we determine them to be uncollectible. Expected recoveries do not exceed the aggregate of amounts previously written off and expected to be written off. Accrued interest receivable for customer notes receivable placed on a nonaccrual status is recorded as a reduction to interest income. Interest received on such customer notes receivable is accounted for on a cash basis until the customer notes receivable qualifies for the return to accrual status. Customer notes receivable are returned to accrual status when there is no longer any principal or interest amounts past due and future payments are reasonably assured.

The allowance for credit losses is deducted from the customer notes receivable amortized cost to present the net amount expected to be collected. It is measured on a collective (pool) basis when similar risk characteristics (such as financial asset type, customer credit rating, contractual term and vintage) exist. In determining the allowance for credit losses, we identify customers with potential disputes or collection issues and consider our historical level of credit losses and current economic trends that might impact the level of future credit losses. Adjustments to historical loss information are made for differences in

current loan-specific risk characteristics, such as differences in underwriting standards. Expected credit losses are estimated over the contractual term of the loan agreements based on the best available data at the time and adjusted for expected prepayments when appropriate. The contractual term excludes expected extensions, renewals and modifications unless either of the following applies: (a) we have a reasonable expectation at the reporting date that a troubled debt restructuring will be executed with an individual customer or (b) the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancelable by us. Expected credit losses are recorded in provision for current expected credit losses and other bad debt expense in the Consolidated Statements of Operations. See Note 6, Customer Notes Receivable.

Deferred Revenue

Deferred revenue consists of amounts for which the criteria for revenue recognition have not yet been met and includes (a) payments for unfulfilled performance obligations that will be recognized on a straight-line basis over the remaining term of the respective customer agreements, net of any cash incentives earned by the customers, (b) down payments and partial or full prepayments from customers and (c) differences due to the timing of energy production versus billing for certain types of PPAs. Deferred revenue was $615.6 million as of December 31, 2022. The following table presents the detail of deferred revenue as recorded in other current liabilities and other long-term liabilities in the Consolidated Balance Sheets:

	As of December 31,	
	2024	2023
	(in thousands)	
Loans	$ 1,012,934	$ 930,999
PPAs and leases	72,426	55,651
Solar receivables	4,076	4,339
SRECs	15,209	—
Other	—	14
Total (1)	$ 1,104,645	$ 991,003

(1) Of this amount, $60.4 million and $50.8 million is recorded in other current liabilities as of December 31, 2024 and 2023, respectively.

During the years ended December 31, 2024 and 2023, we recognized revenue of $55.7 million and $33.0 million, respectively, from amounts recorded in deferred revenue at the beginning of the respective years.

Contract Assets and Contract Liabilities

Billing practices are governed by the contract terms of each project based upon costs incurred, production or predetermined schedules. Billings do not necessarily correlate with revenue recognized using the percentage-of-completion method to reflect the transfer of control over time. Contract assets include unbilled amounts typically resulting from revenue under contracts when the percentage-of-completion method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer. Contract liabilities consist of advance payments and billings in excess of revenue recognized. Retainage, included in contract assets, represents the amounts withheld from billings by our customers pursuant to provisions in the contracts and may not be paid to us until the completion of specific tasks or the completion of the project and, in some instances, for even longer periods. Retainage may also be subject to restrictive conditions such as performance guarantees. Our contract assets and liabilities are reported in a net position on a contract-by-contract basis at the end of each reporting period. The payment terms of our contracts from time to time require the customer to make advance payments as well as interim payments as work progresses. As of December 31, 2024 and 2023, contract assets were $0 and $279,000, respectively, and contract liabilities were $9.3 million and $3.8 million, respectively. The decrease in contract assets was primarily due to revenue recognized on certain contracts and the timing of billings. The increase in contract liabilities was primarily due to the timing of advance payments partially offset by revenue recognized during the period. During the years ended December 31, 2024 and 2023, we recognized revenue of $2.3 million and $0, respectively, from amounts recorded in contract liabilities at the beginning of the respective years.

Performance Guarantee Obligations

In most cases, we guarantee certain specified minimum solar energy production output under our leases and loan agreements, generally over a term between 10 and 25 years. The amounts are generally measured and credited to the customer's

account as early as the first anniversary of the solar energy system's placed in service date and then every annual period thereafter. We monitor the solar energy systems to ensure these outputs are achieved. We evaluate if any amounts are due to our customers based upon not meeting the guaranteed solar energy production outputs at each reporting period end. For leases, these estimated amounts are recorded as a reduction to revenues from customers and a current or long-term liability, as applicable. For loans, these estimated amounts are recorded as an increase to cost of revenue—customer agreements and incentives and a current or long-term liability, as applicable. See Note 14, Commitments and Contingencies.

Property and Equipment

Solar Energy Systems and Energy Storage Systems. Depreciation of solar energy systems and energy storage systems is calculated using the straight-line method over the estimated useful lives of the solar energy systems and energy storage systems and are recorded in cost of revenue—customer agreements and incentives. While solar energy systems and energy storage systems are in the design, construction and installation stages prior to being placed in service, the development of the systems is accounted for through construction in progress. The components of the design, construction and installation of the solar energy systems and energy storage systems are as follows:

- Dealer's costs (engineering, procurement and construction)
- Direct costs (costs directly related to a solar energy system or energy storage system)
- Indirect costs (costs incurred in the design, construction and installation of the solar energy system or energy storage system but not directly associated with a particular asset)

Solar energy systems and energy storage systems are carried at the cost of acquisition or construction (including design and installation) less certain utility rebates and are depreciated over the useful lives of the assets. Depreciation begins when a solar energy system or energy storage system is placed in service. Costs associated with repair and maintenance of a solar energy system or energy storage system are expensed as incurred. Costs associated with improvements to a solar energy system or energy storage system, which extend the life, increase the capacity or improve the efficiency of the systems, are capitalized and depreciated over the remaining life of the asset.

Property and Equipment, Excluding Solar Energy Systems and Energy Storage Systems. Property and equipment, including software and business technology projects, computers and equipment, leasehold improvements, furniture and fixtures, vehicles and other property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the respective assets and are recorded in general and administrative expense. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives. Upon disposition, the cost and related accumulated depreciation of the assets are removed from property and equipment and the resulting gain or loss is reflected in the Consolidated Statements of Operations. Repair and maintenance costs are expensed as incurred.

Intangibles

Our purchased intangible assets are stated at cost less accumulated amortization. Our intangible assets acquired from a business combination or asset acquisition are stated at the estimated fair value on the date of the acquisition less accumulated

amortization. We amortize intangible assets to general and administrative expense using the straight-line method. The following table presents the detail of intangible assets as recorded in intangible assets, net in the Consolidated Balance Sheets:

	Useful Lives	As of December 31, 2024	As of December 31, 2023
	(in years)	(in thousands)	
Customer relationships - system sales	10	$ 145,496	$ 145,496
Customer relationships - servicing	10	3,471	3,471
Customer relationships - new customers	4	29,761	29,761
Trade name	15	11,899	11,899
Tax equity commitment	4	21,209	21,209
Software license	3	331	331
Trademark	3	68	68
Other	3-25	88	499
Intangible assets, gross		212,323	212,734
Less: accumulated amortization		(107,109)	(78,676)
Intangible assets, net		$ 105,214	$ 134,058

As of December 31, 2024, amortization expense related to intangible assets to be recognized is as follows:

	Amortization Expense
	(in thousands)
2025	$ 18,875
2026	15,690
2027	15,690
2028	15,690
2029	15,690
2030 and thereafter	23,579
Total	$ 105,214

Goodwill

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed. Goodwill is reviewed for impairment at least annually or whenever events or changes in circumstances indicate the carrying amount may be impaired. When assessing goodwill for impairment, we use qualitative and if necessary, quantitative methods in accordance with GAAP. Our annual assessment date is October 31. We utilized a qualitative assessment and concluded it was more likely than not the carrying amount was greater than the fair value due to a sustained decline in our share price. Our review considered performance compared to released guidance, renewable market factors, liquidity and market capitalization including stock price along with other market factors including interest rate changes and inflation. Based on this assessment, we performed a quantitative assessment using the market approach. In 2023, our market capitalization, after consideration of a control premium, was lower than the book value of equity and thus, we recognized goodwill impairment of $13.2 million.

Deferred Financing Costs

Deferred financing costs are capitalized and amortized to interest expense, net over the term of the related debt using the effective interest method for term loans or the straight-line method for revolving credit facilities. The unamortized balance of deferred financing costs is recorded in current portion of long-term debt and long-term debt, net (see Note 7, Long-Term Debt)

for term loans or in other current assets and other assets for revolving credit facilities and debt and equity transactions not yet completed, in the Consolidated Balance Sheets. The following table presents the changes in net deferred financing costs:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Balance at beginning of period	$ 128,361	$ 76,525
Capitalized	58,170	77,062
Amortized	(59,222)	(25,226)
Balance at end of period	$ 127,309	$ 128,361

Asset Retirement Obligation ("ARO")

We have AROs arising from contractual requirements to perform certain asset retirement activities at the time the solar energy systems are disposed. We recognize an ARO at the point an obligating event takes place, typically when the solar energy system is placed in service. An asset is considered retired when it is permanently taken out of service, such as through a sale or disposal.

The liability is initially measured at fair value (as a Level 3 measurement) based on the present value of estimated removal and restoration costs and subsequently adjusted for changes in the underlying assumptions and for accretion expense. The accretion expense is recognized in general and administrative expense in the Consolidated Statements of Operations. The corresponding asset retirement costs are capitalized as part of the carrying amount of the solar energy system and depreciated over the solar energy system's remaining useful life. See Note 5, Asset Retirement Obligations.

Warranty Obligations

In connection with our customer agreements, we warrant the solar energy systems against defects in workmanship, against component or materials breakdowns and against any damages to rooftops during the installation process. The dealers' warranties on the workmanship, including work during the installation process, and the manufacturers' warranties over component parts have a range of warranty periods which are generally 10 to 25 years. The following table summarizes the changes in our warranty reserve, which is recorded in other long-term liabilities in the Consolidated Balance Sheets:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Balance at beginning of period	$ 5,965	$ 3,018
Accruals	4,259	2,959
Settlements	(529)	(12)
Balance at end of period	$ 9,695	$ 5,965

Advertising Costs

We expense advertising costs as they are incurred to general and administrative expense in the Consolidated Statements of Operations. We recognized advertising expense of $1.6 million, $5.0 million and $2.5 million during the years ended December 31, 2024, 2023 and 2022, respectively.

Defined Contribution Plan

In April 2015, we established the Sunnova Energy Corporation 401(k) Profit Sharing Plan (401(k) plan) available to employees who meet the 401(k) plan's eligibility requirements. The 401(k) plan allows participants to contribute a percentage of their compensation to the 401(k) plan up to the limits set forth in the Internal Revenue Code. We may make additional discretionary contributions to the 401(k) plan as a percentage of total participant contributions, subject to established limits. Participants are fully vested in their contributions and any safe harbor matching contributions we make. We made safe harbor matching contributions of $5.3 million, $4.2 million and $1.8 million during the years ended December 31, 2024, 2023 and 2022, respectively, which are recorded in general and administrative expense in the Consolidated Statements of Operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Income Taxes

We account for income taxes under an asset and liability approach. Deferred income taxes reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and the amounts recognized for income tax reporting purposes, net operating loss, carryforwards, and other tax credits measured by applying currently enacted tax laws. A valuation allowance is provided when necessary to reduce deferred tax assets to an amount that is more likely than not to be realized.

We determine whether a tax position taken in a filed tax return, planned to be taken in a future tax return or claim, or otherwise subject to interpretation, is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position, or prospectively approved when such approval may be sought in advance. We use a two-step approach to recognize and measure uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the available evidence indicates it is more likely than not the position will be sustained upon tax authority examination, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit or obligation as the largest amount that is more than 50% likely of being realized upon ultimate settlement. See Note 9, Income Taxes.

Comprehensive Income (Loss)

We are required to report comprehensive income (loss), which includes net income (loss) as well as other comprehensive income (loss). There were no differences between comprehensive loss and net loss as reported in the Consolidated Statements of Operations for the periods presented.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, we first compare undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals as considered necessary. Impairment charges are recorded in operations and maintenance expense for solar energy systems that relate to revenue from contracts with customers and general and administrative expense for all other property and equipment and other long-lived assets.

Segment Information

Operating segments are defined as components of a company about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. Our chief operating decision maker is the chief executive officer. We organize our business segments based on the nature of products and services offered. Based on the financial information presented to and reviewed by our chief operating decision maker in deciding how to allocate resources and in assessing performance, we have determined we have a single reportable segment: residential solar energy products and services. Our principal operations, revenue and

decision-making functions are located in the U.S. The following table presents the details of segment revenue and significant segment expenses for our reportable segment:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
Segment revenue	$ 835,713	$ 719,723	$ 557,690
Less significant segment expenses:			
Depreciation related to solar energy systems and energy storage systems	190,306	130,261	96,280
Cost of revenue related to service customers, loan agreements and underwriting costs for new customers and solar energy systems	23,101	18,944	7,306
Inventory sales costs	103,332	176,371	178,310
Cash sales costs	82,268	51,832	38,766
Direct sales costs	59,571	48,049	6,262
Maintenance and servicing of solar energy system and energy storage systems	29,732	37,444	16,786
Property insurance	14,847	11,207	7,820
Impairments, excluding goodwill	55,905	43,442	8,459
Payroll and employee related expense	217,392	187,186	116,029
Legal, insurance, office and business travel costs	39,439	37,664	24,858
Consultants, contractors and professional fees	44,537	36,614	25,378
Amortization expense	30,738	29,583	29,224
Software and business technology expense	33,203	26,506	15,778
Depreciation expense not related to solar energy systems and energy storage systems	38,706	23,126	11,887
Financing deal costs	14,547	1,723	930
Marketing expense	13,027	16,172	10,317
Sales, franchise, other taxes and bank fees	11,109	10,236	6,259
Provision for current expected credit losses and other bad debt expense	35,094	46,199	43,018
Goodwill impairment	—	13,150	—
Other operating (income) expense	17,478	(3,978)	(26,566)
Interest expense, net	491,172	371,937	107,775
Interest income	(149,918)	(115,872)	(59,799)
Income tax (benefit) expense	(144,513)	(1,023)	3,886
Other segment expenses (1)	30,929	20,747	18,142
Segment net loss	(446,289)	(497,797)	(129,415)
Non-reportable segment net loss	(1,484)	(4,629)	(861)
Net loss	$ (447,773)	$ (502,426)	$ (130,276)

(1) Other segment expenses primarily includes warranty expense, ARO accretion expense, acquisition costs, miscellaneous fees and government affairs expense.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following tables present other information related to our reportable segment reconciled to our consolidated financial statements:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
PPA revenue	$ 175,583	$ 123,646	$ 104,563
Lease revenue	239,010	147,788	100,070
Solar renewable energy certificate revenue	58,568	50,375	48,698
Loan revenue	47,940	34,716	18,601
Service revenue	11,786	16,197	4,178
Other revenue	8,626	5,414	4,691
Customer agreements and incentives	541,513	378,136	280,801
Inventory sales revenue	106,256	185,855	195,980
Cash sales revenue	138,594	95,142	72,425
Direct sales revenue	49,350	60,590	8,484
Solar energy system and product sales	294,200	341,587	276,889
Total segment revenue	835,713	719,723	557,690
Non-reportable segment revenue	4,209	930	—
Total revenue	$ 839,922	$ 720,653	$ 557,690

	As of December 31,	
	2024	2023
	(in thousands)	
Segment assets	$ 13,339,654	$ 11,334,748
Non-reportable segment assets	14,045	6,223
Total assets	$ 13,353,699	$ 11,340,971

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
Segment purchases of property and equipment	$ (1,637,926)	$ (1,831,305)	$ (868,208)
Non-reportable segment purchases of property and equipment	(4,912)	(1,409)	—
Purchases of property and equipment	$ (1,642,838)	$ (1,832,714)	$ (868,208)

Basic and Diluted Net Income (Loss) Per Share

Our basic net income (loss) per share attributable to stockholders is calculated by dividing the net income (loss) attributable to stockholders by the weighted-average number of shares of common stock outstanding for the period. Our diluted net income (loss) per share attributable to stockholders is calculated by giving effect to all potential common stock equivalents outstanding for the period determined using the treasury stock method or the if-converted method, as applicable. During periods in which we incur a net loss attributable to stockholders, stock options and restricted stock units are considered to be common stock equivalents but are excluded from the calculation of diluted net loss per share attributable to stockholders as the effect is antidilutive. See Note 13, Basic and Diluted Net Loss Per Share.

Equity-Based Compensation

We account for equity-based compensation, which requires the measurement and recognition of compensation expense related to the fair value of equity-based compensation awards. Equity-based compensation expense includes the compensation cost for all share-based awards granted to employees, consultants and members of our board of directors. We use the Black-

Scholes option-pricing model to measure the fair value of stock options at the measurement date. For restricted stock units that will be settled in cash, we use the closing price of our common stock on the measurement date to measure the fair value at the measurement date and record in other current liabilities in the Consolidated Balance Sheets. For restricted stock units that will be settled in common stock, we use the closing price of our common stock on the grant date to measure the fair value at the measurement date and record in additional paid-in capital—common stock in the Consolidated Balance Sheets. We recognize the fair value of equity-based compensation awards as compensation cost in the financial statements, beginning on the grant date. We base compensation expense on the fair value of the awards we expect to vest, recognized over the service period, and adjusted for actual forfeitures as they occur. Equity-based compensation expense is recorded in general and administrative expense in the Consolidated Statements of Operations. See Note 12, Equity-Based Compensation.

Redeemable Noncontrolling Interests and Noncontrolling Interests

Noncontrolling interests represent third-party interests in the net assets of certain consolidated subsidiaries (the tax equity entities). For these tax equity entities, we have determined the appropriate methodology for calculating the noncontrolling interest balances that reflects the substantive economic arrangements in the operating agreements is a balance sheet approach using the hypothetical liquidation at book value ("HLBV") method. Under the HLBV method, the amounts reported as noncontrolling interests in the Consolidated Balance Sheets represent the amounts third-party investors would hypothetically receive at each balance sheet date under the liquidation provisions of the operating agreements, assuming the net assets of the subsidiaries were liquidated at amounts determined in accordance with GAAP and distributed to the investors. The noncontrolling interest balances in these subsidiaries are reported as a component of equity in the Consolidated Balance Sheets. The amount of income or loss allocated to noncontrolling interests in the results of operations for the subsidiaries using HLBV are determined as the difference in the noncontrolling interest balances in the Consolidated Balance Sheets at the start and end of each reporting period, after taking into account any capital transactions between the subsidiaries and the third-party investors. Factors used in the HLBV calculation include GAAP income (loss), taxable income (loss), capital contributions, investment tax credits, distributions and the stipulated targeted investor return specified in the subsidiaries' operating agreements. Changes in these factors could have a significant impact on the amounts that investors would receive upon a hypothetical liquidation. The use of the HLBV method to allocate income (loss) to the noncontrolling interest holders may create volatility in the Consolidated Statements of Operations as the application of HLBV can drive changes in net income or loss attributable to noncontrolling interests from period to period.

We classify certain noncontrolling interests with redemption features that are not solely within our control outside of permanent equity in the Consolidated Balance Sheets. Redeemable noncontrolling interests are reported using the greater of the carrying value at each reporting date as determined by the HLBV method or the estimated redemption value at the end of each reporting period. Estimating the redemption value of the redeemable noncontrolling interests requires the use of significant assumptions and estimates, such as projected future cash flows at the time the redemption feature can be exercised. The redeemable noncontrolling interests and noncontrolling interests are recorded net of related issuance costs and net of the basis difference in the solar energy systems transferred to the tax equity entities in the Consolidated Balance Sheets. This basis difference is reflected as equity in subsidiaries attributable to parent in the Consolidated Statements of Redeemable Noncontrolling Interests and Equity. When we exercise our purchase option to purchase the Class A member's interest in a tax equity entity, the difference between the purchase price and carrying value of the redeemable noncontrolling interest or noncontrolling interest immediately prior to the purchase is reflected as an adjustment to accumulated deficit and no gain or loss is recognized in the Consolidated Statements of Operations.

Self-Insurance

In January 2023, we changed our health insurance policy for qualifying employees in the U.S. from a fully-insured policy to a self-insured policy in order to administer insurance coverage to our employees at a lower cost to us. The change in insurance policy did not have a significant impact on our consolidated financial statements and related disclosures. Under the self-insured policy, we maintain stop-loss coverage from a third party that limits our exposure to large claims. We record a liability associated with these benefits that includes an estimate of both claims filed and losses incurred but not yet reported based on historical claims experience. In estimating this accrual, we utilize a third-party actuary to estimate a range of expected losses, which are based on an analysis of historical data. Assumptions are monitored and adjusted when warranted by changing circumstances. We record our liability for estimated losses under our self-insured policy in accrued expenses in the Consolidated Balance Sheets. As of December 31, 2024 and 2023, our liability for self-insured claims was $3.5 million and $3.5 million, respectively, which represents our best estimate of the future cost of claims incurred as of that date. We believe we have adequate reserves for these claims as of December 31, 2024.

Sales of Investment Tax Credits ("ITCs")

We enter into tax credit purchase and sale agreements with third-party purchasers to sell to such third-party purchasers, for cash, the Section 48(a) ITCs and Section 48E ITCs generated by certain solar energy systems that have or will be placed in service, subject to certain conditions set forth therein. We account for ITCs using the flow-through method, which states the tax benefit is to be recognized when the ITC is realizable. For interim periods, we account for income tax under ASC 740-270 which prescribes the use of an estimated annual effective tax rate to be applied to year-to-date ordinary income or loss before tax to compute the year-to-date income tax provision. In calculating the estimated annual effective tax rate, we include the forecasted tax benefit from the sale of ITCs for the year. For tax credit purchase and sale agreements entered into by certain of our consolidated tax equity partnerships, we record our share of the sale as income tax benefit in the Consolidated Statements of Operations and the tax equity investor's share as an increase to redeemable noncontrolling interests or noncontrolling interests in the Consolidated Balance Sheets. We record an accrued distribution to redeemable noncontrolling interests and noncontrolling interests for their share of the ITC sales (at the time the ITC sale is recognized) when such accrual is stipulated in the operating agreement of the tax equity partnership. The following table presents the detail of receivables and payables related to ITC sales as recorded in the Consolidated Balance Sheets:

	As of December 31,	
	2024	2023
	(in thousands)	
Accounts receivable—other	$ 294,649	$ 200,679
Accounts payable	$ 264,750	$ 184,830

The following table presents the detail of ITC sales as recorded in the Consolidated Balance Sheets and Consolidated Statements of Operations:

	Year Ended December 31, 2024			Year Ended December 31, 2023		
		Financial Statement Classification			Financial Statement Classification	
	ITC Sales	Redeemable Noncontrolling Interests and Noncontrolling Interests	Income Tax Benefit	ITC Sales	Redeemable Noncontrolling Interests and Noncontrolling Interests	Income Tax Benefit
	(in thousands)					
ITC sales related to tax equity partnerships	$ 616,319	$ 487,687	$ 128,632	$ 192,729	$ 190,801	$ 1,928
ITC sales unrelated to tax equity partnerships	29,202	—	29,202	14,696	—	14,696
Total	$ 645,521	$ 487,687	$ 157,834	$ 207,425	$ 190,801	$ 16,624

New Accounting Guidance

New accounting pronouncements are issued by the FASB or other standard setting bodies and are adopted as of the specified effective date.

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting: Improvements to Reportable Segment Disclosures,* to refine and ensure a broader and more transparent representation of segment-related financial activities. This ASU is effective for annual periods beginning in January 2024 and interim periods beginning in January 2025. We adopted this ASU retrospectively in the fourth quarter of 2024 and have included additional disclosures, including segment revenue and significant segment expenses, in Note 2, Significant Accounting Policies.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes: Improvements to Income Tax Disclosures,* to improve the transparency and effectiveness of income tax disclosures, including rate reconciliation and income taxes paid. This ASU is effective for annual periods beginning in January 2025. We are currently evaluating the impact of this ASU on our consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses*, to require further disaggregation and disclosure of

certain expenses in the notes to the financial statements. This ASU is effective for annual periods beginning in January 2027 and interim periods beginning in January 2028. We are currently evaluating the impact of this ASU on our consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU No. 2024-04, *Debt—Debt with Conversion and Other Options: Induced Conversions of Convertible Debt Instruments*, to clarify the requirements related to accounting for the settlement of a debt instrument as an induced conversion. This ASU is effective for annual and interim periods beginning in January 2026. We are currently evaluating the impact of this ASU on our consolidated financial statements and related disclosures.

(3) Property and Equipment

The following table presents the detail of property and equipment, net as recorded in the Consolidated Balance Sheets:

		As of December 31,	
	Useful Lives	2024	2023
	(in years)	(in thousands)	
Solar energy systems and energy storage systems	35	$ 7,425,371	$ 5,443,796
Construction in progress		499,018	530,180
Asset retirement obligations	30	102,422	78,538
Software and business technology systems	3	155,044	130,300
Computers and equipment	3-5	7,743	7,503
Leasehold improvements	1-6	7,208	6,170
Furniture and fixtures	7	1,172	1,172
Vehicles	4-5	1,640	1,640
Other	5-6	419	419
Property and equipment, gross		8,200,037	6,199,718
Less: accumulated depreciation		(788,083)	(560,924)
Property and equipment, net		$ 7,411,954	$ 5,638,794

The amounts included in the above table for solar energy systems and energy storage systems and substantially all the construction in progress relate to our customer contracts (including PPAs and leases). These assets had accumulated depreciation of $678.2 million and $489.7 million as of December 31, 2024 and 2023, respectively.

(4) Detail of Certain Balance Sheet Captions

The following table presents the detail of other current assets as recorded in the Consolidated Balance Sheets:

	As of December 31,	
	2024	2023
	(in thousands)	
Current portion of customer notes receivable	$ 193,081	$ 176,562
Inventory	126,695	148,575
Restricted cash	78,240	62,188
Prepaid assets	30,763	25,996
Deferred receivables	10,609	7,601
Other	14,923	8,377
Total	$ 454,311	$ 429,299

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the detail of other assets as recorded in the Consolidated Balance Sheets:

	As of December 31,	
	2024	2023
	(in thousands)	
Restricted cash	$ 258,679	$ 219,382
Prepaid assets	55,535	33,154
Other	569,558	643,349
Total	$ 883,772	$ 895,885

The following table presents the detail of other current liabilities as recorded in the Consolidated Balance Sheets:

	As of December 31,	
	2024	2023
	(in thousands)	
Interest payable	$ 73,812	$ 67,647
Deferred revenue	60,408	50,815
Other	31,641	15,187
Total	$ 165,861	$ 133,649

(5) Asset Retirement Obligations

AROs consist primarily of costs to remove solar energy system assets and costs to restore the solar energy system sites to the original condition, which we estimate based on current market rates. For each solar energy system, we recognize the fair value of the ARO as a liability and capitalize that cost as part of the cost basis of the related solar energy system. The related assets are depreciated on a straight-line basis over 30 years, which is the estimated average time a solar energy system will be installed in a location before being removed, and the related liabilities are accreted to the full value over the same period of time. We revise our estimated future liabilities based on recent actual experiences, including third party cost estimates, average size of solar energy systems and inflation rates, which we evaluate at least annually. Changes in our estimated future liabilities are recorded as either a reduction or addition in the carrying amount of the remaining unamortized asset and the ARO and either decrease or increase our depreciation and accretion expense amounts prospectively. The following table presents the changes in AROs as recorded in other long-term liabilities in the Consolidated Balance Sheets:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Balance at beginning of period	$ 96,227	$ 69,869
Additional obligations incurred	23,959	21,529
Accretion expense	6,652	4,905
Other	(111)	(76)
Balance at end of period	$ 126,727	$ 96,227

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(6) Customer Notes Receivable

We offer a loan program, under which the customer finances the purchase of a solar energy system, energy storage system and/or accessory through a customer agreement for a term of 10, 15 or 25 years. The following table presents the detail of customer notes receivable as recorded in the Consolidated Balance Sheets and the corresponding fair values:

	As of December 31,	
	2024	2023
	(in thousands)	
Customer notes receivable	$ 4,258,386	$ 4,029,025
Allowance for credit losses	(140,049)	(116,477)
Customer notes receivable, net	$ 4,118,337	$ 3,912,548
Estimated fair value, net	$ 3,974,477	$ 3,800,754

The following table presents the changes in the allowance for credit losses related to customer notes receivable as recorded in other current assets and customer notes receivable, net in the Consolidated Balance Sheets:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Balance at beginning of period	$ 116,477	$ 81,248
Provision for current expected credit losses (1)	23,572	35,229
Balance at end of period	$ 140,049	$ 116,477

(1) For the years ended December 31, 2024 and 2023, the provision for current expected credit losses related to customer notes receivable was 2% and 4%, respectively, of total operating expense.

The following tables present additional information related to our customer notes receivable.

	As of December 31,	
	2024	2023
	(in thousands)	
Investment in loan solar energy systems, energy storage systems and/or accessories not yet placed in service	$ 46,352	$ 159,066
Accrued interest receivable related to customer notes receivable	$ 6,657	$ 14,305
Customer notes receivable not accruing interest	$ 98,680	$ 34,200
Allowance recorded for loans on nonaccrual status	$ 2,783	$ 754

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Interest income related to customer notes receivable	$ 130,550	$ 98,848
Interest income recognized for loans on nonaccrual status	$ —	$ —
Accrued interest receivable written off by reversing interest income	$ 178	$ 63

In May 2024, we ceased originating home security and monitoring loans with Brinks Home. In connection therewith, we sold approximately 58,000 home security and monitoring loans to Brinks Home. During the year ended December 31, 2024, we sold additional accessory loans to a third party. While we still have an obligation to service the accessory loans sold during the year ended December 31, 2024, no such obligation exists for the home security and monitoring loans sold in May 2024. During the year ended December 31, 2024, we sold approximately 65,000 accessory loans with a net customer notes receivable balance of $142.6 million for $84.9 million and recognized a loss of $43.4 million, which is recorded in other operating (income)

expense in the Consolidated Statements of Operations. As of December 31, 2024, $4.4 million is recorded in accounts receivable—other, net and $5.2 million is recorded in other assets for sales proceeds not yet received.

We consider the performance of our customer notes receivable portfolio and its impact on our allowance for credit losses. We also evaluate the credit quality based on the aging status and payment activity. The following table presents the aging of the amortized cost of customer notes receivable:

	As of December 31,	
	2024	2023
	(in thousands)	
1-90 days past due	$ 169,904	$ 164,150
91-180 days past due	49,056	40,428
Greater than 180 days past due	166,091	77,110
Total past due (1)	385,051	281,688
Not past due	3,873,335	3,747,337
Total	$ 4,258,386	$ 4,029,025

(1) As of December 31, 2024 and 2023, the total amount past due as a percent of gross customer notes receivable was 9% and 7%, respectively.

As of December 31, 2024 and 2023, the amortized cost of our customer notes receivable more than 90 days past due but not on nonaccrual status was $116.5 million and $83.3 million, respectively. The following table presents the amortized cost by origination year of our customer notes receivable based on payment activity:

	Amortized Cost by Origination Year						
	2024	2023	2022	2021	2020	Prior	Total
	(in thousands)						
Payment performance:							
Performing	$ 489,635	$ 1,285,215	$ 1,254,490	$ 654,532	$ 198,621	$ 209,802	$ 4,092,295
Nonperforming (1)	11,562	52,951	52,760	26,209	7,306	15,303	166,091
Total	$ 501,197	$ 1,338,166	$ 1,307,250	$ 680,741	$ 205,927	$ 225,105	$ 4,258,386

(1) A nonperforming loan is a loan in which the customer is in default and has not made any scheduled principal or interest payments for 181 days or more.

(7) Long-Term Debt

Our subsidiaries with long-term debt include Sunnova Energy Corporation, Sunnova EZ-Own Portfolio, LLC ("EZOP"), Sunnova Helios II Issuer, LLC ("HELII"), Sunnova RAYS I Issuer, LLC ("RAYSI"), Sunnova Helios III Issuer, LLC ("HELIII"), Sunnova TEP Holdings, LLC ("TEPH"), Sunnova Sol Issuer, LLC ("SOLI"), Sunnova Helios IV Issuer, LLC ("HELIV"), Sunnova Asset Portfolio 8, LLC ("AP8"), Sunnova Sol II Issuer, LLC ("SOLII"), Sunnova Helios V Issuer, LLC ("HELV"), Sunnova Sol III Issuer, LLC ("SOLIII"), Sunnova Helios VI Issuer, LLC ("HELVI"), Sunnova Helios VII Issuer, LLC ("HELVII"), Sunnova Helios VIII Issuer, LLC ("HELVIII"), Sunnova Sol IV Issuer, LLC ("SOLIV"), Sunnova Helios IX Issuer, LLC ("HELIX"), Sunnova Helios X Issuer, LLC ("HELX"), Sunnova Inventory Supply, LLC ("IS"), Sunnova Sol V Issuer, LLC ("SOLV"), Sunnova Helios XI Issuer, LLC ("HELXI"), Sunnova Helios XII Issuer, LLC ("HELXII"), Sunnova Asset Portfolio 9, LLC ("AP9"), Sunnova Hestia I Borrower, LLC ("HESI"), Sunnova Business Markets Borrower, LLC ("BMB"), Sunnova Sol VI Issuer, LLC ("SOLVI"), Sunnova Helios XIII Issuer, LLC ("HELXIII"), Sunnova Hestia II Borrower, LLC ("HESII"), Sunnova Helios XIV Issuer, LLC ("HELXIV"), Sunnova Sol VII Issuer, LLC ("SOLVII"), Sunnova Sol VIII Issuer, LLC ("SOLVIII") and Sunnova Aurora I Issuer, LLC ("AURI"). The following table presents the detail of long-term debt as recorded in current portion of long-term debt and long-term debt, net in the Consolidated Balance Sheets:

Year Ended December 31, 2024 Weighted Average Effective Interest Rates	As of December 31, 2024		Year Ended December 31, 2023 Weighted Average Effective Interest Rates	As of December 31, 2023	
	Long-term	Current		Long-term	Current

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	(in thousands, except interest rates)					
SEI						
0.25% convertible senior notes	0.71 %	$ 575,000	$ —	0.71 %	$ 575,000	$ —
2.625% convertible senior notes	3.03 %	600,000	—	3.03 %	600,000	—
Debt discount, net		(13,918)	—		(19,174)	—
Deferred financing costs, net		(535)	—		(748)	—
Sunnova Energy Corporation						
Notes payable	9.73 %	—	2,489	7.07 %	—	3,084
5.875% senior notes	6.52 %	400,000	—	6.53 %	400,000	—
11.75% senior notes	12.29 %	400,000	—	12.02 %	400,000	—
Debt discount, net		(10,888)	—		(13,288)	—
Deferred financing costs, net		(8,695)	—		(12,119)	—
EZOP						
Revolving credit facility	10.84 %	166,640	—	8.72 %	511,000	—
Debt discount, net		(137)	—		(302)	—
HELII						
Solar asset-backed notes	5.61 %	185,698	9,569	5.64 %	194,933	9,065
Debt discount, net		(19)	—		(24)	—
Deferred financing costs, net		(2,289)	—		(2,926)	—
RAYSI						
Solar asset-backed notes	5.55 %	98,968	6,725	5.55 %	105,096	6,349
Debt discount, net		(535)	—		(753)	—
Deferred financing costs, net		(2,537)	—		(3,004)	—
HELIII						
Solar loan-backed notes	4.44 %	78,963	9,550	4.43 %	86,232	9,983
Debt discount, net		(975)	—		(1,250)	—
Deferred financing costs, net		(936)	—		(1,200)	—
TEPH						
Revolving credit facility	10.26 %	1,167,950	—	10.03 %	1,036,600	—
Debt discount, net		(618)	—		(1,168)	—
SOLI						
Solar asset-backed notes	3.93 %	319,437	15,817	3.91 %	335,874	12,965
Debt discount, net		(61)	—		(74)	—
Deferred financing costs, net		(4,732)	—		(5,769)	—
HELIV						
Solar loan-backed notes	4.15 %	90,017	10,249	4.16 %	97,458	10,854
Debt discount, net		(274)	—		(417)	—
Deferred financing costs, net		(1,330)	—		(1,955)	—
AP8						
Credit facility	8.92 %	—	—	9.42 %	—	215,000
Notes payable	6.02 %	71,754	3,246		—	—
Deferred financing costs, net		(6,095)	—		—	—
SOLII						
Solar asset-backed notes	2.90 %	213,340	6,314	3.90 %	221,955	7,195
Debt discount, net		(48)	—		(56)	—
Deferred financing costs, net		(3,316)	—		(3,948)	—
HELV						
Solar loan-backed notes	2.51 %	125,690	12,675	2.49 %	134,473	13,496
Debt discount, net		(394)	—		(540)	—
Deferred financing costs, net		(1,538)	—		(2,094)	—
SOLIII						
Solar asset-backed notes	2.83 %	241,168	13,672	2.81 %	257,545	15,762
Debt discount, net		(86)	—		(102)	—
Deferred financing costs, net		(4,113)	—		(4,871)	—
HELVI						

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Solar loan-backed notes	2.12 %	151,053	12,706	2.10 %	159,901	13,521
Debt discount, net		(24)	—		(32)	—
Deferred financing costs, net		(1,786)	—		(2,345)	—
HELVII						
Solar loan-backed notes	2.53 %	117,257	9,593	2.53 %	123,494	10,221
Debt discount, net		(24)	—		(31)	—
Deferred financing costs, net		(1,395)	—		(1,797)	—
HELVIII						
Solar loan-backed notes	3.66 %	231,415	18,768	3.62 %	243,020	19,995
Debt discount, net		(3,450)	—		(4,355)	—
Deferred financing costs, net		(2,689)	—		(3,395)	—
SOLIV						
Solar asset-backed notes	5.93 %	313,897	8,861	5.90 %	325,612	8,464
Debt discount, net		(7,678)	—		(9,440)	—
Deferred financing costs, net		(5,498)	—		(6,759)	—
HELIX						
Solar loan-backed notes	5.67 %	188,266	13,039	5.64 %	196,174	15,246
Debt discount, net		(2,459)	—		(3,027)	—
Deferred financing costs, net		(2,273)	—		(2,798)	—
HELX						
Solar loan-backed notes	8.12 %	195,838	14,049	7.38 %	200,842	19,996
Debt discount, net		(11,983)	—		(17,015)	—
Deferred financing costs, net		(2,245)	—		(3,064)	—
IS						
Revolving credit facility	11.11 %	7,419	—	8.90 %	31,300	—
SOLV						
Solar asset-backed notes	6.94 %	304,150	8,256	6.93 %	312,844	7,775
Debt discount, net		(12,049)	—		(15,491)	—
Deferred financing costs, net		(5,197)	—		(6,682)	—
HELXI						
Solar loan-backed notes	6.51 %	243,339	16,788	6.29 %	247,251	31,240
Debt discount, net		(10,171)	—		(12,007)	—
Deferred financing costs, net		(3,957)	—		(5,195)	—
HELXII						
Solar loan-backed notes	7.01 %	199,779	16,625	6.71 %	210,263	26,661
Debt discount, net		(10,281)	—		(13,065)	—
Deferred financing costs, net		(3,269)	—		(4,135)	—
AP9						
Revolving credit facility	26.25 %	—	—	19.30 %	12,118	—
Debt discount, net		—	—		(572)	—
HESI						
Solar loan-backed notes	6.14 %	205,206	19,408	10.94 %	213,432	26,625
Debt discount, net		(6,469)	—		(7,616)	—
Deferred financing costs, net		(5,954)	—		(7,058)	—
BMB						
Revolving credit facility	312.19 %	—	832		—	—
SOLVI						
Solar asset-backed notes	6.81 %	218,720	4,060		—	—
Debt discount, net		(11,055)	—		—	—
Deferred financing costs, net		(5,603)	—		—	—
HELXIII						
Solar loan-backed notes	6.31 %	187,671	21,355		—	—
Debt discount, net		(6,581)	—		—	—
Deferred financing costs, net		(4,512)	—		—	—
HESII						

Solar loan-backed notes	6.25 %	146,019	16,618	—	—
Debt discount, net		(112)	—	—	—
Deferred financing costs, net		(6,366)	—	—	—
HELXIV					
Solar loan-backed notes	7.33 %	191,022	34,275	—	—
Debt discount, net		(6,976)	—	—	—
Deferred financing costs, net		(4,945)	—	—	—
SOLVII					
Solar asset-backed notes	7.06 %	313,229	5,467	—	—
Debt discount, net		(8,657)	—	—	—
Deferred financing costs, net		(8,984)	—	—	—
SOLVIII					
Solar asset-backed notes	6.81 %	298,510	9,590	—	—
Debt discount, net		(5,569)	—	—	—
Deferred financing costs, net		(9,245)	—	—	—
AURI					
Solar asset-backed notes	6.36 %	146,569	6,632	—	—
Debt discount, net		(12,740)	—	—	—
Deferred financing costs, net		(6,540)	—	—	—
Total		$ 8,133,179	$ 327,228	$ 7,030,756	$ 483,497

Availability. As of December 31, 2024, we had $623.8 million of available borrowing capacity, subject to certain conditions, under our various financing arrangements, consisting of $383.4 million under the EZOP revolving credit facility, $194.1 million under the TEPH revolving credit facility, $42.6 million under the IS revolving credit facility and $3.8 million under the BMB revolving credit facility. As of December 31, 2024, we were in compliance with all debt covenants under our financing arrangements.

Weighted Average Effective Interest Rates. The weighted average effective interest rates disclosed in the table above are the weighted average stated interest rates for each debt instrument plus the effect on interest expense for other items classified as interest expense, such as the amortization of deferred financing costs, amortization of debt discounts and commitment fees on unused balances for the period of time the debt was outstanding during the indicated periods.

SEI Debt. In May 2021, we issued and sold an aggregate principal amount of $575.0 million of our 0.25% convertible senior notes (0.25% convertible senior notes) in a private placement at a discount to the initial purchasers of 2.5%, for an aggregate purchase price of $560.6 million. The 0.25% convertible senior notes mature in December 2026 unless earlier redeemed, repurchased or converted. In connection with the pricing of the 0.25% convertible senior notes, we used proceeds of $91.7 million to enter into privately negotiated capped call transactions, which are expected to reduce the potential dilution to common shares and/or offset potential cash payments that could be required to be made in excess of the principal amount upon any exchange of notes. Such reduction and/or offset is subject to a cap initially equal to $60.00 per share, subject to adjustments. The capped call transactions cover, subject to customary adjustments, the number of shares of our common stock initially underlying the 0.25% convertible senior notes. As the capped call transactions meet certain accounting criteria, they are classified as stockholders' equity and therefore, are recorded in additional paid-in capital—common stock in the Consolidated Balance Sheets and are not accounted for as derivatives.

The holders of our 0.25% convertible senior notes may convert their notes at their option at any time prior to September 1, 2026 only under the following circumstances: (a) during any calendar quarter commencing after the calendar quarter ending on September 30, 2021 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day, (b) during the five business day period after any ten consecutive trading day period (the measurement period) in which the trading price (as defined below) per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day, (c) with respect to notes called for redemption (or deemed called for redemption), at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date or (d) upon the occurrence of specified corporate events. On or after September 1, 2026 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their notes at any time, regardless of the foregoing

circumstances. Upon conversion, we will be required to pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election.

The conversion rate of our 0.25% convertible senior notes will initially be 28.9184 shares of common stock per $1,000 principal amount of notes (equivalent to an initial conversion price of approximately $34.58 per share of common stock). The conversion rate will be subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date or if we deliver a notice of redemption, we will, in certain circumstances, increase the conversion rate for a holder who elects to convert its notes called (or deemed called) in connection with such a corporate event or notice of redemption, as the case may be.

We may not redeem our 0.25% convertible senior notes prior to June 5, 2024. We may redeem for cash all or any portion of the notes, at our option, on or after June 5, 2024 if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

In August 2022, we issued and sold an aggregate principal amount of $600.0 million of our 2.625% convertible senior notes (2.625% convertible senior notes) in a private placement at a discount to the initial purchasers of 2.5%, for an aggregate purchase price of $585.0 million. The 2.625% convertible senior notes mature in February 2028 unless earlier redeemed, repurchased or converted. In connection with the pricing of the 2.625% convertible senior notes, we used proceeds of $48.4 million to enter into privately negotiated capped call transactions, which are expected to reduce the potential dilution to common shares and/or offset potential cash payments that could be required to be made in excess of the principal amount upon any exchange of notes. Such reduction and/or offset is subject to a cap initially equal to $34.24 per share, subject to adjustments. The capped call transactions cover, subject to customary adjustments, the number of shares of our common stock initially underlying the 2.625% convertible senior notes. As the capped call transactions meet certain accounting criteria, they are classified as stockholders' equity and therefore, are recorded in additional paid-in capital—common stock in the Consolidated Balance Sheets and are not accounted for as derivatives.

The holders of our 2.625% convertible senior notes may convert their notes at their option at any time prior to November 15, 2027 only under the following circumstances:(a) during any calendar quarter commencing after the calendar quarter ending on December 31, 2022 (and only during such calendar quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day, (b) during the five business day period after any ten consecutive trading day period (the measurement period) in which the trading price (as defined below) per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day, (c) with respect to notes called for redemption (or deemed called for redemption), at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date or (d) upon the occurrence of specified corporate events. On or after November 15, 2027 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their notes at any time, regardless of the foregoing circumstances. Upon conversion, we will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election.

The conversion rate of our 2.625% convertible senior notes will initially be 29.2039 shares of common stock per $1,000 principal amount of notes (equivalent to an initial conversion price of approximately $34.24 per share of common stock). The conversion rate will be subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date or if we deliver a notice of redemption, we will, in certain circumstances, increase the conversion rate for a holder who elects to convert its notes called (or deemed called) in connection with such a corporate event or notice of redemption, as the case may be.

We may not redeem our 2.625% convertible senior notes prior to August 20, 2025. We may redeem for cash all or any portion of the notes, at our option, on or after August 20, 2025 if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sunnova Energy Corporation Debt. In August 2021, Sunnova Energy Corporation issued and sold an aggregate principal amount of $400.0 million of 5.875% senior notes (5.875% senior notes) at a discount to the initial purchasers of approximately 1.24%, for an aggregate purchase price of $395.0 million. The 5.875% senior notes mature in September 2026 and are initially guaranteed on a senior unsecured basis by SEI and a wholly-owned subsidiary of Sunnova Energy Corporation. In June 2023, Sunnova Energy Corporation entered into an arrangement to finance $6.8 million of insurance premiums at an annual interest rate of 7.24% over ten months. In August 2023, Sunnova Energy Corporation entered into an arrangement to finance $1.5 million of insurance premiums at an annual interest rate of 7.49% over ten months. In September 2023, Sunnova Energy Corporation entered into an arrangement to finance $1.9 million of insurance premiums at an annual interest rate of 7.49% over nine months. In September 2023, Sunnova Energy Corporation issued and sold an aggregate principal amount of $400.0 million of 11.75% senior notes (11.75% senior notes) at a discount to the initial purchasers of approximately 2.74%, for an aggregate purchase price of approximately $389.0 million. The 11.75% senior notes mature in October 2028 and are initially guaranteed on a senior unsecured basis by SEI and a wholly-owned subsidiary of Sunnova Energy Corporation. In June 2024, Sunnova Energy Corporation entered into an arrangement to finance $8.3 million of insurance premiums at an annual interest rate of 7.74% over ten months.

EZOP Debt. In April 2017, EZOP, a special purpose entity, entered into a secured revolving credit facility with Credit Suisse AG, New York Branch, as agent, and the lenders party thereto, for an aggregate commitment amount of $100.0 million with a maturity date of April 2019. In August 2017, the aggregate commitment amount was reduced to $70.0 million and in March 2019, the aggregate commitment amount was increased to $200.0 million. The EZOP revolving credit facility allows for the pooling and transfer of eligible loans on a non-recourse basis subject to certain limited exceptions. The proceeds of the loans under the EZOP revolving credit facility are available to purchase or otherwise acquire loans (which we originated) directly from Sunnova Asset Portfolio 7 Holdings, LLC ("AP7H") pursuant to a sale and contribution agreement, fund certain reserve accounts that are required to be maintained by EZOP in accordance with the EZOP revolving credit agreement and pay fees and expenses incurred in connection with the EZOP revolving credit facility. The amount available for borrowings at any one time under the EZOP revolving credit facility is limited to a borrowing base amount determined at each borrowing and calculated based on the aggregate solar loan balance of eligible solar loans of EZOP multiplied by the weighted average advance rate.

Interest on the borrowings under the EZOP revolving credit facility is due monthly. Borrowings under the EZOP revolving credit facility bear interest at an annual rate equal to the weighted-average cost to the lender of any commercial paper (to the extent the lender funds an advance by issuing commercial paper) plus 3.50% during the commitment availability period and 4.50% after the commitment availability period. The EZOP revolving credit facility requires EZOP to pay a fee based on the daily unused portion of the commitments under the EZOP revolving credit facility. Payments from the loans will be deposited into accounts established pursuant to the EZOP revolving credit facility and applied in accordance with a cash waterfall in the manner specified in the EZOP revolving credit facility. EZOP is also required to maintain certain reserve accounts for the benefit of the lenders under the EZOP revolving credit facility, each of which must remain funded at all times to the levels specified in the credit agreement. In connection with the EZOP revolving credit facility, certain of our affiliates receive a fee for managing and servicing the solar loan agreements and related solar energy systems pursuant to management and servicing agreements. In addition, Sunnova Energy Corporation has guaranteed (a) the manager's obligations to manage the solar loan agreements and related solar energy systems pursuant to the management agreement, (b) the servicer's obligations to service the solar loan agreements and related solar energy systems pursuant to the servicing agreement, (c) AP7H's obligations to repurchase or substitute certain ineligible solar loans sold to EZOP pursuant to certain sale and contribution agreements and (d) certain indemnification obligations related to its affiliates in connection with the EZOP revolving credit facility, but does not provide a general guarantee of the creditworthiness of the assets of EZOP pledged as the collateral for the EZOP revolving credit facility. Under the limited guarantee, Sunnova Energy Corporation is subject to certain financial covenants regarding tangible net worth, working capital and restrictions on the use of proceeds from the EZOP revolving credit facility.

In March 2021, we amended the EZOP revolving credit facility to, among other things, (a) extend the maturity date to November 2023 and (b) increase the uncommitted maximum facility amount from $200.0 million to $350.0 million. In June 2022, we amended the EZOP revolving credit facility to, among other things, (a) extend the scheduled commitment termination date to May 2024, (b) extend the facility maturity date to November 2024, (c) increase the aggregate commitment amount from $200.0 million to $400.0 million, subject to reductions based on the outstanding principal balance of advances over certain time periods, (d) increase the uncommitted maximum facility amount from $350.0 million to $475.0 million, (e) modify the interest rate on borrowings from accruing based on the London interbank offered rate ("LIBOR") to accruing based on Term SOFR (as defined by such revolving credit facility), plus a Term SOFR (as defined by such revolving credit facility) spread adjustment, (f) add an amortization event related to certain of our subsidiaries ceasing to originate solar loans (subject to certain thresholds, time periods and exceptions set forth therein), (g) add concentration limits for solar loans (1) with obligors with credit scores below certain thresholds and (2) for which the original principal balance exceeds a certain threshold and (h) modify eligibility requirements for solar loans to increase the permitted maximum original principal balance. In July 2022, we amended the EZOP

revolving credit facility to, among other things, increase the uncommitted maximum facility amount from $475.0 million to $535.0 million until the earlier to occur of (a) September 29, 2022 and (b) the date upon which a specific sale of borrowing base assets and a related prepayment of outstanding debt thereunder occurs, upon the occurrence of which the uncommitted maximum facility amount will return to $475.0 million. In August 2022, we amended the EZOP revolving credit facility to, among other things, (a) increase the aggregate commitment amount from $400.0 million to $450.0 million, (b) increase the uncommitted maximum facility amount from $535.0 million to $585.0 million, (c) amend certain provisions addressing the allocation of advances and principal payments among the lenders, (d) amend certain provisions addressing lender consent rights and related matters and (e) include certain provisions addressing service incentives and related matters. In September 2022, we amended the EZOP revolving credit facility to, among other things, (a) decrease the uncommitted maximum facility amount from $585.0 million to $575.0 million and (b) amend certain provisions related to the agent's allocation of certain payments made to the lenders.

In February 2023, we amended the EZOP revolving credit facility to, among other things, (a) increase the aggregate commitment amount from $450.0 million to $675.0 million, (b) increase the uncommitted maximum facility amount from $575.0 million to $800.0 million, (c) amend certain provisions related to the allocation of certain payments made to the lenders, (d) amend certain provisions related to excess concentration limits and eligibility criteria to permit us and our affiliates to provide warranties of, and replacements for, load controllers and generators in connection with the related solar loan contracts and (e) add provisions to allow EZOP to request an increase in the aggregate commitment amount (subject to certain conditions) by adding additional lenders to the EZOP revolving credit facility. In February 2023, Credit Suisse AG ("Credit Suisse") sold a significant part of its Securitized Products Group (the "Credit Suisse Securitized Products Sale") to Apollo Global Management ("Apollo"). Subsequently, Apollo publicly announced the majority of the assets and professionals associated with the sale are now part of or managed by ATLAS SP Partners, a new stand-alone credit firm focused on asset-backed financing and capital markets solutions ("Atlas"). In March 2023, in connection with the Credit Suisse Securitized Products Sale, certain of our subsidiaries consented to the assignment of the loans and commitments of the Credit Suisse lenders to the Atlas lenders (such assignment, the "EZOP Assignment") under the EZOP revolving credit facility. In connection with the EZOP Assignment, Credit Suisse AG, New York Branch ("CSNYB") resigned as the agent under the EZOP revolving credit facility, Atlas Securitized Products Holdings, L.P. (the "Successor Agent") was appointed as the successor agent thereunder and, in connection with such appointment, the Successor Agent assumed the agent roles under the EZOP revolving credit facility. In connection with the appointment of Atlas as Successor Agent, the borrowers and the lenders party to the applicable agency resignation and appointment agreements consented to, among other things, Atlas' ability to assign the agent role under the EZOP revolving credit facility to one of its affiliates subject to certain conditions set forth therein. In March 2023, after the EZOP Assignment, we amended the EZOP revolving credit facility to, among other things, (a) increase the aggregate commitment amount from $675.0 million to $775.0 million, (b) increase the uncommitted maximum facility amount from $800.0 million to $900.0 million, (c) amend and supplement certain defaulting lender provisions and (d) update the references from CSNYB, the predecessor agent, to Atlas, the successor agent, and remove or modify certain provisions related to the borrowing, funding and allocation of payments among the previous lender syndicate (that previously included lenders affiliated with Credit Suisse that, prior to the date of the amendment to the EZOP revolving credit facility and pursuant to the EZOP Assignment, had assigned their loans and commitments to lenders affiliated with Atlas). In August 2023, we amended and restated the EZOP revolving credit facility to, among other things, (a) increase the aggregate commitment amount from $775.0 million to $875.0 million, (b) increase the uncommitted maximum facility amount from $900.0 million to $1.0 billion, (c) extend the maturity date from November 2024 to November 2025 and (d) amend the Advance Rate (as defined therein). In October 2023, we amended the EZOP revolving credit facility to, among other things, reallocate commitments among the lenders.

In February 2024, we amended the EZOP revolving credit facility to, among other things, (a) reflect certain assignments of commitments occurring within the Atlas Lender Group (as defined by such revolving credit facility) without increasing the existing commitments, and the assignment of the role of the Atlas funding agent for the Atlas Lender Group, (b) amend the thresholds for certain "Amortization Events" (as defined by such revolving credit facility) and (c) modify the "Liquidity Reserve Account Required Balance" (as defined by such revolving credit facility). In March 2024, we amended the EZOP revolving credit facility to, among other things, (a) amend the Advance Rate, Excess Concentration Amount (in each case, as defined by such revolving credit facility) and certain related definitions and (b) amend the eligibility criteria for the Solar Loans (as defined by such revolving credit facility). In June 2024, we amended the EZOP revolving credit facility to, among other things, (a) reflect the exit of the RBC Committed Lender, RBC Conduit Lender and RBC Funding Agent (each as defined by such revolving credit facility) from the facility and (b) reflect the joinder of Royal Bank of Canada as a Committed Lender and Funding Agent (each as defined by such revolving credit facility) and the establishment of a new Royal Bank of Canada Lender Group (as defined by such revolving credit facility). In December 2024, we amended the EZOP revolving credit facility to, among other things, (a) extend the maturity date from November 2025 to February 2026, (b) decrease the aggregate commitment amount from $875.0 million to $550.0 million, (c) decrease the maximum facility amount from $1.0 billion to $550.0 million and (d) make certain updates to the definition of "Excess Concentration Amount".

HELII Debt. In November 2018, we pooled and transferred eligible solar energy systems and the related asset receivables into HELII, a special purpose entity, that issued $202.0 million in aggregate principal amount of Series 2018-1 Class A solar asset-backed notes and $60.7 million in aggregate principal amount of Series 2018-1 Class B solar asset-backed notes (collectively, the "HELII Notes") with a maturity date of July 2048. The HELII Notes were issued at a discount of 0.02% for Class A and 0.02% for Class B and bear interest at an annual rate equal to 4.87% and 7.71% for the Class A and Class B notes, respectively. The cash flows generated by these solar energy systems are used to service the semi-annual principal and interest payments on the HELII Notes and satisfy HELII's expenses, and any remaining cash can be distributed to Helios Depositor II, LLC, HELII's sole member. In connection with the HELII Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to management and servicing agreements. In addition, Sunnova Energy Corporation has guaranteed (a) the manager's obligations to manage the solar energy systems pursuant to the management agreement, (b) the servicer's obligations to service the solar energy systems pursuant to the servicing agreement and (c) Sunnova ABS Holdings, LLC's obligations to repurchase or substitute certain ineligible solar energy systems eventually sold to HELII pursuant to the sale and contribution agreement. HELII is also required to maintain certain reserve accounts for the benefit of the holders of the HELII Notes, each of which must remain funded at all times to the levels specified in the HELII Notes. The indenture requires HELII to track the DSCR of (a) the amount of certain payments received from customers, certain performance based incentives, certain energy credits and any applicable insurance proceeds as of a specific date to (b) interest and scheduled principal due on the HELII Notes as of such date with the potential to enter into an early amortization period if the DSCR drops below a certain threshold. The holders of the HELII Notes have no recourse to our other assets except as expressly set forth in the HELII Notes.

RAYSI Debt. In March 2019, we pooled and transferred eligible solar energy systems and the related asset receivables into RAYSI, a special purpose entity, that issued $118.1 million in aggregate principal amount of Series 2019-1 Class A solar asset-backed notes with a maturity date of April 2044 and $15.0 million in aggregate principal amount of Series 2019-1 Class B solar asset-backed notes with a maturity date of April 2034. The notes were issued with no discount for Class A and at a discount of 6.50% for Class B and bear interest at an annual rate equal to 4.95% and 6.35% for the Class A and Class B notes, respectively. In June 2019, RAYSI issued $6.4 million in aggregate principal amount of 2019-2 Class B solar asset-backed notes with a maturity date of April 2034 pursuant to a supplemental note purchase agreement at a discount rate of 10.50% and bear interest at an annual rate equal to 6.35%. The notes issued by RAYSI are referred to as the "RAYSI Notes". The cash flows generated by these solar energy systems are used to service the semi-annual principal and interest payments on the RAYSI Notes and satisfy RAYSI's expenses, and any remaining cash can be distributed to Sunnova RAYS Depositor II, LLC, RAYSI's sole member. In connection with the RAYSI Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to management, servicing, facility administration and asset management agreements. In addition, Sunnova Energy Corporation has guaranteed, among other things, (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to management, servicing, facility administration and asset management agreements, (b) the managing member's obligations, in such capacity, under the related financing fund's limited liability company agreement and (c) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar energy systems eventually sold to RAYSI pursuant to the related sale and contribution agreement. RAYSI is also required to maintain certain reserve accounts for the benefit of the holders of the RAYSI Notes, each of which must remain funded at all times to the levels specified in the RAYSI Notes. The indenture requires RAYSI to track the DSCR of (a) the amount of certain payments received from customers, certain performance based incentives, certain energy credits and any applicable insurance proceeds as of a specific date to (b) interest and scheduled principal due on the RAYSI Notes as of such date with the potential to enter into an early amortization period if the DSCR drops below a certain threshold. The indenture contains cross-default provisions under which a material default by (a) RAYSI or (b) a tax equity fund under the applicable tax equity transaction documents would, upon the expiration of certain time periods, result in an event of default under the RAYSI indenture. The holders of the RAYSI Notes have no recourse to our other assets except as expressly set forth in the RAYSI Notes.

HELIII Debt. In June 2019, we pooled and transferred eligible solar loans and the related receivables into HELIII, a special purpose entity, that issued $139.7 million in aggregate principal amount of Series 2019-A Class A solar loan-backed notes, $14.9 million in aggregate principal amount of Series 2019-A Class B solar loan-backed notes and $13.0 million in aggregate principal amount of Series 2019-A Class C solar loan-backed notes (collectively, the "HELIII Notes") with a maturity date of June 2046. The HELIII Notes were issued at a discount of 0.03% for Class A, 0.01% for Class B and 0.03% for Class C and bear interest at an annual rate of 3.75%, 4.49% and 5.32% for the Class A, Class B and Class C notes, respectively. The cash flows generated by these solar loans are used to service the semi-annual principal and interest payments on the HELIII Notes and satisfy HELIII's expenses, and any remaining cash can be distributed to Sunnova Helios III Depositor, LLC, HELIII's sole member. In connection with the HELIII Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to management and servicing agreements. In addition, Sunnova Energy Corporation has guaranteed, among other things, (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to management and servicing agreements, (b) the managing member's obligations, in such capacity, under the related financing

fund's limited liability company agreement and (c) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar loans eventually sold to HELIII pursuant to the related sale and contribution agreement. HELIII is also required to maintain certain reserve accounts for inverter replacement and a capitalized interest reserve account for the benefit of the holders of the HELIII Notes, each of which must remain funded at all times to the levels specified in the HELIII Notes. The holders of the HELIII Notes have no recourse to our other assets except as expressly set forth in the HELIII Notes.

TEPH Debt. In September 2019, TEPH, a wholly-owned subsidiary of SEI, entered into a revolving credit facility with Credit Suisse AG, New York Branch, as administrative agent, and the lenders party thereto, for an aggregate committed amount of $100.0 million with a maturity date of November 2022. The TEPH revolving credit facility allows for borrowings based on the aggregate value of solar assets owned by subsidiaries of TEPH subject to certain excess concentration limitations. The proceeds from the TEPH revolving credit facility are available for purchasing solar energy systems, funding certain reserve accounts required by the TEPH revolving credit facility, making distributions to the parent of TEPH and paying fees incurred in connection with closing the TEPH revolving credit facility. The TEPH revolving credit facility is non-recourse to SEI and is secured by net cash flows from PPAs and leases available to the borrower after distributions to tax equity investors and payment of certain operating, maintenance and other expenses. Sunnova Energy Corporation guarantees the performance of certain affiliates who manage the collateral related to the TEPH revolving credit facility as well as certain indemnity and repurchase obligations. Under the limited guarantee, Sunnova Energy Corporation is subject to certain financial covenants regarding tangible net worth, working capital and restrictions on the use of proceeds from the facility. In addition, TEPH's obligations under the TEPH revolving credit facility are guaranteed by certain subsidiaries of TEPH. Borrowings under the TEPH revolving credit facility are made in Class A loans and Class B loans. The TEPH revolving credit facility has an advance rate equal to approximately 60% of the value of the solar projects in the portfolio that have not yet begun construction and 80% of the value of the solar projects that have reached substantial completion. Interest on the borrowings under the TEPH revolving credit facility is due quarterly. Borrowings under the TEPH revolving credit facility initially bore interest at an annual rate of either LIBOR divided by a percentage equal to 100% minus a reserve percentage or a base rate (defined as, for any day, a rate of interest per annum equal to the highest of (a) the prime rate for such day and (b) the sum of the weighted average of the rates on overnight federal funds transactions with members of the federal reserve system arranged by federal funds brokers as published for such day plus 0.50%), plus a margin of between 2.90% and 4.30%, which varies based on criteria including (a) whether the availability period has expired, (b) whether a takeout transaction has occurred in the last 18 months and (c) the ratio of Class A loans to Class B loans outstanding at such time.

In January 2021, we amended the TEPH revolving credit facility to, among other things, (a) permit certain transactions in SRECs (or proceeds therefrom) and related hedging arrangements and exclude certain of such amounts from the calculation of net cash flow available to service the indebtedness and (b) allow for borrowings with respect to certain ancillary components. In September 2021, we amended the TEPH revolving credit facility to, among other things, modify the hedging requirements to be based on borrowing capacity until March 2022, rather than amount currently borrowed. In October 2021, we amended the TEPH revolving credit facility to, among other things, update the LIBOR transition terms and transfer a portion of the loan commitment to an additional lender. In September 2022, we amended the TEPH revolving credit facility to, among other things, (a) increase the aggregate commitment amount from $460.7 million to $564.7 million, (b) increase the uncommitted maximum facility amount from $600.0 million to $639.7 million, (c) extend the facility maturity date to November 2024, (d) amend certain excess concentration limitations, (e) replace LIBOR with Term SOFR (as defined by such revolving credit facility) as the interest rate benchmark and include benchmark replacement provisions and (f) include certain provisions addressing grid services revenue and related matters. In October 2022, we amended the TEPH revolving credit facility to, among other things, (a) increase the aggregate commitment amount from $564.7 million to $600.0 million and (b) increase the uncommitted maximum facility amount from $639.7 million to $689.7 million.

In March 2023, in connection with the Credit Suisse Securitized Products Sale, certain of our subsidiaries consented to the assignment of the loans and commitments of the Credit Suisse lenders to the Atlas lenders (such assignment, the "TEPH Assignment") under the TEPH revolving credit facility. In connection with the TEPH Assignment, CSNYB resigned as the agent under the TEPH revolving credit facility, Atlas was appointed as the successor agent thereunder and, in connection with such appointment, the Successor Agent assumed the agent roles under the TEPH revolving credit facility. In connection with the appointment of Atlas as Successor Agent, the borrowers and the lenders party to the applicable agency resignation and appointment agreements consented to, among other things, Atlas' ability to assign the agent role under the TEPH revolving credit facility to one of its affiliates subject to certain conditions set forth therein. In March 2023, after the TEPH Assignment, we amended the TEPH revolving credit facility to, among other things, (a) increase the aggregate commitment amount from $600.0 million to $700.0 million, (b) increase the uncommitted maximum facility amount from $689.7 million to $789.7 million, (c) add provisions to allow TEPH to request an increase in the aggregate commitment amount (subject to certain conditions) by adding additional lenders to the TEPH revolving credit facility, (d) amend and supplement certain defaulting lender provisions, (e) modify the hedging provisions to give all hedge counterparties the benefit of certain payment priorities and certain other terms previously limited to qualifying hedge counterparties (as defined by such revolving credit facility), to

extend the time period for the event of default resulting from hedge counterparties ceasing to be qualifying hedge counterparties and to make other hedge-related amendments, (f) update the references from CSNYB, the predecessor administrative agent, to Atlas, the successor administrative agent, and remove or modify certain provisions related to the borrowing, funding and allocation of payments among the previous lender syndicate (that previously included lenders affiliated with Credit Suisse that, prior to the date of the amendment to the TEPH revolving credit facility and pursuant to the TEPH Assignment, had assigned their loans and commitments to lenders affiliated with Atlas), (g) add European Union bail-in provisions and (h) add certain syndication-related provisions. In August 2023, we amended the TEPH revolving credit facility to, among other things, (a) increase the aggregate commitment amount from $700.0 million to $769.3 million, (b) increase the uncommitted maximum facility amount from $789.7 million to $859.0 million and (c) extend the maturity date from November 2024 to November 2025. In November 2023, we amended and restated the TEPH revolving credit facility to, among other things, (a) increase the aggregate commitment amount from $769.3 million to $1.309 billion and (b) increase the uncommitted maximum facility amount from $859.0 million to $1.575 billion. In December 2023, an additional lender joined the TEPH revolving credit facility and the aggregate commitment amount was increased from $1.309 billion to $1.311 billion.

In February 2024, we amended the TEPH revolving credit facility to, among other things, reflect an assignment of commitments occurring within the Atlas Lender Group (as defined by such revolving credit facility) without increasing the existing commitments and the appointment of a new Atlas funding agent for the Atlas Lender Group. In April 2024, additional lenders joined the TEPH revolving credit facility and the aggregate commitment amount was increased from $1.3 billion to $1.4 billion. In August 2024, we amended the TEPH revolving credit facility to, among other things, modify certain eligibility criteria to allow for energy community, domestic content and low-income community tax credit bonuses. In October 2024, we amended the TEPH revolving credit facility to, among other things, (a) extend the maturity date from November 2025 to August 2026, (b) extend the date upon which lender commitments terminate (and no further advances are permitted under the TEPH revolving credit facility) from May 2025 to May 2026, (c) require us to maintain a specified minimum working capital amount as of quarterly determination dates, (d) add certain events of default and (e) increase the aggregate commitment amount from $1.361 billion to $1.362 billion. In addition, the debt agreement governing our TEPH revolving credit facility contains contingent stepdowns in advance rates and contingent cash reserve requirements triggered by the failure of Sunnova Energy Corporation to satisfy or maintain specified minimum working capital amounts as of quarterly determination dates. If Sunnova Energy Corporation fails to maintain such specified working capital amounts, the funds otherwise distributable to us under such facilities may become restricted and the availability of advances thereunder may be reduced, which could reduce our available cash and lead to potential prepayment of the facility

SOLI Debt. In February 2020, we pooled and transferred eligible solar energy systems and the related asset receivables into wholly-owned subsidiaries of SOLI, a special purpose entity, that issued $337.1 million in aggregate principal amount of Series 2020-1 Class A solar asset-backed notes and $75.4 million in aggregate principal amount of Series 2020-1 Class B solar asset-backed notes (collectively, the "SOLI Notes") with a maturity date of January 2055. The SOLI Notes were issued at a discount of 0.89% for Class A and 0.85% for Class B and bear interest at an annual rate equal to 3.35% and 5.54% for the Class A and Class B notes, respectively. The cash flows generated by the solar energy systems of SOLI's subsidiaries are used to service the quarterly principal and interest payments on the SOLI Notes and satisfy SOLI's expenses, and any remaining cash can be distributed to Sunnova Sol Depositor, LLC, SOLI's sole member. In connection with the SOLI Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to a transaction management agreement and managing and servicing agreements. In addition, Sunnova Energy Corporation has guaranteed (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to management, servicing and transaction management agreements, (b) the managing members' obligations, in such capacity, under the related financing fund's limited liability company agreement and (c) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar energy systems eventually sold to SOLI pursuant to the sale and contribution agreement. SOLI is also required to maintain certain reserve accounts for the benefit of the holders of the SOLI Notes, each of which must remain funded at all times to the levels specified in the SOLI Notes. The indenture requires SOLI to track the DSCR of (a) the amount of certain payments received from customers, certain performance based incentives, certain energy credits and any applicable insurance proceeds as of a specific date to (b) interest and scheduled principal due on the SOLI Notes as of such date with the potential to enter into an early amortization period if the DSCR drops below a certain threshold. The holders of the SOLI Notes have no recourse to our other assets except as expressly set forth in the SOLI Notes.

HELIV Debt. In June 2020, we pooled and transferred eligible solar loans and the related receivables into HELIV, a special purpose entity, that issued $135.9 million in aggregate principal amount of Series 2020-A Class A solar loan-backed notes and $22.6 million in aggregate principal amount of Series 2020-A Class B solar loan-backed notes (collectively, the "HELIV Notes") with a maturity date of June 2047. The HELIV Notes were issued at a discount of 0.01% for Class A and 4.18% for Class B and bear interest at an annual rate of 2.98% and 7.25% for the Class A and Class B notes, respectively. The cash flows generated by these solar loans are used to service the monthly principal and interest payments on the HELIV Notes and satisfy HELIV's expenses, and any remaining cash can be distributed to Sunnova Helios IV Depositor, LLC, HELIV's sole

member. In connection with the HELIV Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to management and service agreements. In addition, Sunnova Energy Corporation has guaranteed, among other things, (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to management and servicing agreements and (b) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar loans eventually sold to HELIV pursuant to the related sale and contribution agreement. HELIV is also required to maintain certain reserve accounts for the benefit of the holders of the HELIV Notes, each of which must be funded at all times to the levels specified in the HELIV Notes. The holders of the HELIV Notes have no recourse to our other assets except as expressly set forth in the HELIV Notes.

AP8 Debt. In September 2020, AP8 entered into a secured credit facility with Banco Popular de Puerto Rico, as agent, and the lenders party thereto, for an aggregate committed amount of $60.0 million with a maturity date of September 2023. The proceeds of the loans under the AP8 credit facility were initially available to purchase or otherwise acquire solar loans, fund a reserve account that is required to be maintained by AP8 in accordance with the credit agreement and pay fees and expenses incurred in connection with the AP8 credit facility. The amount available for borrowings at any one time under the AP8 credit facility was initially limited to a borrowing base amount determined at each borrowing and calculated based on a specified advance rate applied to the net outstanding principal balance of the solar loans securing the AP8 credit facility. After giving effect to the amendments described below, interest on the borrowings under the AP8 credit facility is due quarterly. Borrowings under the AP8 credit facility bear interest at an annual rate based on Term SOFR (as defined by such credit facility).

In connection with the AP8 credit facility, certain of our affiliates receive a fee for managing and servicing the solar loan agreements and related solar energy systems pursuant to management and servicing agreements. In addition, Sunnova Energy Corporation has guaranteed (a) the manager's obligations to manage the solar loan agreements and related solar energy systems pursuant to the management agreement, (b) the servicer's obligations to service the solar loan agreements and related solar energy systems pursuant to the servicing agreement, (c) Sunnova Asset Portfolio 8 Holdings, LLC's obligations to repurchase or substitute certain ineligible solar loans sold to AP8 pursuant to certain sale and contribution agreements, (d) the obligation of AP8 to cure any condition that has caused a solar asset to become a defective solar asset or pay certain liquidated damages, (e) the performance by AP8 of certain obligations in respect of its role as managing member of the financing funds under the credit agreement, (f) certain indemnification obligations related to its affiliates in connection with the AP8 credit facility and (g) the obligation of AP8 under the AP8 credit facility to the extent a default is caused by a misappropriation of funds or certain insolvency events related to AP8, but does not provide a general guarantee of the creditworthiness of the assets of AP8 pledged as the collateral for the AP8 credit facility. Under the limited guarantee, Sunnova Energy Corporation is subject to certain financial covenants regarding tangible net worth, working capital and restrictions on the use of proceeds from the AP8 credit facility. In addition, AP8's obligations under the AP8 credit facility are guaranteed by certain subsidiaries of AP8.

In November 2022, we amended the AP8 credit facility to, among other things, (a) increase the aggregate commitment amount from $60.0 million to $75.0 million, (b) extend the facility maturity date from September 2023 to September 2024, (c) add provisions to permit the borrower to acquire and own managing members of financing funds and related covenants regarding the ownership of such managing members of financing funds, (d) add the ability to borrow against solar assets, including amending the definition of "Borrowing Base" and related provisions and covenants to account for solar assets, (e) amend the eligibility criteria, concentration limits and amortization events for solar loans and the addition of solar assets, (f) replace LIBOR with Term SOFR (as defined by such credit facility) as the interest rate benchmark and include benchmark replacement provisions, (g) amend the interest rate on borrowings to an annual rate of Term SOFR (as defined by such credit facility) plus 3.00%, with interest payments being due quarterly and (h) include certain provisions addressing grid services revenue, service incentives, service incentives rebates and related matters. In March 2023, we amended the AP8 credit facility to, among other things, increase the aggregate commitment amount from $75.0 million to $150.0 million. In June 2023, we amended the AP8 credit facility to, among other things, increase the aggregate commitment amount from $150.0 million to $185.0 million. In August 2023, we amended the AP8 credit facility to, among other things, increase the aggregate commitment amount from $185.0 million to $215.0 million.

In June 2024, we amended the AP8 credit facility to, among other things, extend the maturity date from September 2024 to October 2025. As a result of this amendment, (a) no further borrowings are permitted under the AP8 credit facility and (b) no distributions of cash are permitted without the consent of the agent thereunder. In December 2024, we voluntarily terminated the AP8 credit facility. At the time of termination, all outstanding obligations under the AP8 credit facility were paid in full and all hedging agreements permitted by the AP8 credit facility were settled.

In December 2024, AP8 entered into a notes payable agreement with Banco Popular de Puerto Rico, as agent, and the lenders party thereto, for an amount of $68.8 million for Class A notes and $6.2 million for Class B notes with a maturity date of October 2059. The Class A and Class B notes bear interest at an annual rate of 6.50% and 6.70%, respectively. The proceeds of the loans under the AP8 credit facility are available to (a) pay expenses related to the offering of the notes, (b) repay a

portion of one or more of our existing financing arrangements and (c) finance or refinance, in whole or in part, our existing or new investments and expenditures related to capital investment, research, development, acquisition, manufacturing, distribution, maintenance and operation of solar energy systems and energy storage systems and enabling technologies for solar energy storage and optimization.

SOLII Debt. In November 2020, we pooled and transferred eligible solar energy systems and the related asset receivables into wholly-owned subsidiaries of SOLII, a special purpose entity, that issued $209.1 million in aggregate principal amount of Series 2020-2 Class A solar asset-backed notes and $45.6 million in aggregate principal amount of Series 2020-2 Class B solar asset-backed notes (collectively, the "SOLII Notes") with a maturity date of November 2055. The SOLII Notes were issued at a discount of 0.03% for Class A and 0.05% for Class B and bear interest at an annual rate equal to 2.73% and 5.47% for the Class A and Class B notes, respectively. The cash flows generated by the solar energy systems of SOLII's subsidiaries are used to service the quarterly principal and interest payments on the SOLII Notes and satisfy SOLII's expenses, and any remaining cash can be distributed to Sunnova Sol II Depositor, LLC, SOLII's sole member. In connection with the SOLII Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to a transaction management agreement and managing and servicing agreements. In addition, Sunnova Energy Corporation has guaranteed (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to management, servicing and transaction management agreements, (b) the managing members' obligations, in such capacity, under the related financing fund's limited liability company agreement and (c) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar energy systems eventually sold to SOLII pursuant to the sale and contribution agreement. SOLII is also required to maintain certain reserve accounts for the benefit of the holders of the SOLII Notes, each of which must remain funded at all times to the levels specified in the SOLII Notes. The indenture requires SOLII to track the DSCR of (a) the amount of certain payments received from customers, certain performance based incentives, certain energy credits and any applicable insurance proceeds as of a specific date to (b) interest and scheduled principal due on the SOLII Notes as of such date with the potential to enter into an early amortization period if the DSCR drops below a certain threshold. The holders of the SOLII Notes have no recourse to our other assets except as expressly set forth in the SOLII Notes.

HELV Debt. In February 2021, we pooled and transferred eligible solar loans and the related receivables into HELV, a special purpose entity, that issued $150.1 million in aggregate principal amount of Series 2021-A Class A solar loan-backed notes and $38.6 million in aggregate principal amount of Series 2021-A Class B solar loan-backed notes (collectively, the "HELV Notes") with a maturity date of February 2048. The HELV Notes were issued at a discount of 0.001% for Class A and 2.487% for Class B and bear interest at an annual rate of 1.80% and 3.15% for the Class A and Class B notes, respectively. The cash flows generated by these solar loans are used to service the monthly principal and interest payments on the HELV Notes and satisfy HELV's expenses, and any remaining cash can be distributed to Sunnova Helios V Depositor, LLC, HELV's sole member. In connection with the HELV Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to management and service agreements. In addition, Sunnova Energy Corporation has guaranteed, among other things, (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to management and servicing agreements and (b) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar loans eventually sold to HELV pursuant to the related sale and contribution agreement. HELV is also required to maintain certain reserve accounts for the benefit of the holders of the HELV Notes, each of which must be funded at all times to the levels specified in the HELV Notes. The holders of the HELV Notes have no recourse to our other assets except as expressly set forth in the HELV Notes.

SOLIII Debt. In June 2021, we pooled and transferred eligible solar energy systems and the related asset receivables into wholly-owned subsidiaries of SOLIII, a special purpose entity, that issued $319.0 million in aggregate principal amount of Series 2021-1 solar asset-backed notes (the "SOLIII Notes") with a maturity date of April 2056. The SOLIII Notes were issued at a discount of 0.04% and bear interest at an annual rate equal to 2.58%. The cash flows generated by the solar energy systems of SOLIII's subsidiaries are used to service the quarterly principal and interest payments on the SOLIII Notes and satisfy SOLIII's expenses, and any remaining cash can be distributed to Sunnova Sol III Depositor, LLC, SOLIII's sole member. In connection with the SOLIII Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to a transaction management agreement and managing and servicing agreements. In addition, Sunnova Energy Corporation has guaranteed (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to management, servicing and transaction management agreements, (b) the managing members' obligations, in such capacity, under the related financing fund's limited liability company agreement and (c) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar energy systems eventually sold to SOLIII pursuant to the sale and contribution agreement. SOLIII is also required to maintain certain reserve accounts for the benefit of the holders of the SOLIII Notes, each of which must remain funded at all times to the levels specified in the SOLIII Notes. The indenture requires SOLIII to track the debt service coverage ratio (such ratio, the "DSCR") of (a) the amount of certain payments received from customers, certain performance based incentives, certain energy credits and any applicable insurance proceeds as of a specific date to (b) interest and scheduled principal due on the SOLIII Notes as of such date, with the potential to enter into an early

amortization period if the DSCR drops below a certain threshold. The holders of the SOLIII Notes have no recourse to our other assets except as expressly set forth in the SOLIII Notes.

HELVI Debt. In July 2021, we pooled and transferred eligible solar loans and the related receivables into HELVI, a special purpose entity, that issued $106.2 million in aggregate principal amount of Series 2021-B Class A solar loan-backed notes and $106.2 million in aggregate principal amount of Series 2021-B Class B solar loan-backed notes (collectively, the "HELVI Notes") with a maturity date of July 2048. The HELVI Notes were issued at a discount of 0.01% for Class A and 0.04% for Class B and bear interest at an annual rate of 1.62% and 2.01% for the Class A and Class B notes, respectively. The cash flows generated by these solar loans are used to service the monthly principal and interest payments on the HELVI Notes and satisfy HELVI's expenses, and any remaining cash can be distributed to Sunnova Helios VI Depositor, LLC, HELVI's sole member. In connection with the HELVI Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to management and service agreements. In addition, Sunnova Energy Corporation has guaranteed, among other things, (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to management and servicing agreements and (b) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar loans eventually sold to HELVI pursuant to the related sale and contribution agreement. HELVI is also required to maintain certain reserve accounts for the benefit of the holders of the HELVI Notes, each of which must be funded at all times to the levels specified in the HELVI Notes. The holders of the HELVI Notes have no recourse to our other assets except as expressly set forth in the HELVI Notes.

HELVII Debt. In October 2021, we pooled and transferred eligible solar loans and the related receivables into HELVII, a special purpose entity, that issued $68.4 million in aggregate principal amount of Series 2021-C Class A solar loan-backed notes, $55.9 million in aggregate principal amount of Series 2021-C Class B solar loan-backed notes and $31.5 million in aggregate principal amount of Series 2021-C Class C solar loan-backed notes (collectively, the "HELVII Notes") with a maturity date of October 2048. The HELVII Notes were issued at a discount of 0.04% for Class A, 0.03% for Class B and 0.01% for Class C and bear interest at an annual rate of 2.03%, 2.33% and 2.63% for the Class A, Class B and Class C notes, respectively. The cash flows generated by these solar loans are used to service the monthly principal and interest payments on the HELVII Notes and satisfy HELVII's expenses, and any remaining cash can be distributed to Sunnova Helios VII Depositor, LLC, HELVII's sole member. In connection with the HELVII Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to management and service agreements. In addition, Sunnova Energy Corporation has guaranteed, among other things, (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to management and servicing agreements and (b) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar loans eventually sold to HELVII pursuant to the related sale and contribution agreement. HELVII is also required to maintain certain reserve accounts for the benefit of the holders of the HELVII Notes, each of which must be funded at all times to the levels specified in the HELVII Notes. The holders of the HELVII Notes have no recourse to our other assets except as expressly set forth in the HELVII Notes.

HELVIII Debt. In February 2022, we pooled and transferred eligible solar loans and the related receivables into HELVIII, a special purpose entity, that issued $131.9 million in aggregate principal amount of Series 2022-A Class A solar loan-backed notes, $102.2 million in aggregate principal amount of Series 2022-A Class B solar loan-backed notes and $63.8 million in aggregate principal amount of Series 2022-A Class C solar loan-backed notes (collectively, the "HELVIII Notes") with a maturity date of February 2049. The HELVIII Notes were issued at a discount of 1.55% for Class A, 2.23% for Class B and 2.62% for Class C and bear interest at an annual rate of 2.79%, 3.13% and 3.53% for the Class A, Class B and Class C notes, respectively. The cash flows generated by these solar loans are used to service the monthly principal and interest payments on the HELVIII Notes and satisfy HELVIII's expenses, and any remaining cash can be distributed to Sunnova Helios VIII Depositor, LLC, HELVIII's sole member. In connection with the HELVIII Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to management and service agreements. In addition, Sunnova Energy Corporation has guaranteed, among other things, (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to management and servicing agreements and (b) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar loans eventually sold to HELVIII pursuant to the related sale and contribution agreement. HELVIII is also required to maintain certain reserve accounts for the benefit of the holders of the HELVIII Notes, each of which must be funded at all times to the levels specified in the HELVIII Notes. The holders of the HELVIII Notes have no recourse to our other assets except as expressly set forth in the HELVIII Notes.

SOLIV Debt. In June 2022, we pooled and transferred eligible solar energy systems and the related asset receivables into wholly-owned subsidiaries of SOLIV, a special purpose entity, that issued $317.0 million in aggregate principal amount of Series 2022-1 Class A solar asset-backed notes and $38.0 million in aggregate principal amount of Series 2022-1 Class B solar asset-backed notes (collectively, the "SOLIV Notes") with a maturity date of April 2057. The SOLIV Notes were issued at a discount of 3.55% and 2.10%, respectively, and bear interest at an annual rate equal to 4.95% and 6.35% for the Class A and Class B notes, respectively. The cash flows generated by the solar energy systems of SOLIV's subsidiaries are used to service

the quarterly principal and interest payments on the SOLIV Notes and satisfy SOLIV's expenses, and any remaining cash can be distributed to Sunnova Sol IV Depositor, LLC, SOLIV's sole member. In connection with the SOLIV Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to a transaction management agreement and management and servicing agreements. In addition, Sunnova Energy Corporation has guaranteed (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to a transaction management agreement and management and servicing agreements, (b) the managing members' obligations, in such capacity, under the related financing fund's limited liability company agreement and (c) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar energy systems eventually sold to SOLIV pursuant to the sale and contribution agreement. SOLIV is also required to maintain certain reserve accounts for the benefit of the holders of the SOLIV Notes, each of which must remain funded at all times to the levels specified in the SOLIV Notes. The indenture requires SOLIV to track the debt service coverage ratio (such ratio, the "DSCR") of (a) the amount of certain payments received from customers, certain performance based incentives, certain energy credits and any applicable insurance proceeds as of a specific date to (b) interest and scheduled principal due on the SOLIV Notes as of such date, with the potential to enter into an early amortization period if the DSCR drops below a certain threshold. The holders of the SOLIV Notes have no recourse to our other assets except as expressly set forth in the SOLIV Notes.

HELIX Debt. In August 2022, we pooled and transferred eligible solar loans and the related receivables into HELIX, a special purpose entity, that issued $178.0 million in aggregate principal amount of Series 2022-B Class A solar loan-backed notes and $49.7 million in aggregate principal amount of Series 2022-B Class B solar loan-backed notes (collectively, the "HELIX Notes") with a maturity date of August 2049. The HELIX Notes were issued at a discount of 0.69% for Class A and 5.10% for Class B and bear interest at an annual rate of 5.00% and 6.00% for the Class A and Class B notes, respectively. The cash flows generated by these solar loans are used to service the monthly principal and interest payments on the HELIX Notes and satisfy HELIX's expenses, and any remaining cash can be distributed to Sunnova Helios IX Depositor, LLC, HELIX's sole member. In connection with the HELIX Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to management and service agreements. In addition, Sunnova Energy Corporation has guaranteed, among other things, (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to management and servicing agreements and (b) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar loans eventually sold to HELIX pursuant to the related sale and contribution agreement. HELIX is also required to maintain certain reserve accounts for the benefit of the holders of the HELIX Notes, each of which must be funded at all times to the levels specified in the HELIX Notes. The holders of the HELIX Notes have no recourse to our other assets except as expressly set forth in the HELIX Notes.

HELX Debt. In November 2022, we pooled and transferred eligible solar loans and the related receivables into HELX, a special purpose entity, that issued $103.4 million in aggregate principal amount of Series 2022-C Class A solar loan-backed notes, $80.6 million in aggregate principal amount of Series 2022-C Class B solar loan-backed notes and $51.7 million in aggregate principal amount of Series 2022-C Class C solar loan-backed notes (collectively, the "HELX Notes") with a maturity date of November 2049. The HELX Notes were issued at a discount of 5.38% for Class A, 8.98% for Class B and 14.74% for Class C and bear interest at an annual rate of 5.30%, 5.60% and 6.00% for the Class A, Class B and Class C notes, respectively. The cash flows generated by these solar loans are used to service the monthly principal and interest payments on the HELX Notes and satisfy HELX's expenses, and any remaining cash can be distributed to Sunnova Helios X Depositor, LLC, HELX's sole member. In connection with the HELX Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to management and service agreements. In addition, Sunnova Energy Corporation has guaranteed, among other things, (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to management and servicing agreements and (b) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar loans eventually sold to HELX pursuant to the related sale and contribution agreement. HELX is also required to maintain certain reserve accounts for the benefit of the holders of the HELX Notes, each of which must be funded at all times to the levels specified in the HELX Notes. The holders of the HELX Notes have no recourse to our other assets except as expressly set forth in the HELX Notes.

IS Debt. In March 2023, IS entered into a secured revolving credit facility with Texas Capital Bank, as agent, and the lenders party thereto, for an aggregate commitment amount of $50.0 million with a maturity date of the earlier of (a) March 2026 and (b) six months from the latest maturity date of any material parent credit facility (defined as a parent credit facility with a commitment amount of $250.0 million or more that, if terminated could individually be expected to result in a liquidity event (as defined by the IS revolving credit facility)). The proceeds of the loans under the IS revolving credit facility are available to purchase or otherwise acquire certain accounts receivable and inventory, fund certain reserve accounts that are required to be maintained by IS in accordance with the revolving credit agreement and pay fees and expenses incurred in connection with the IS revolving credit facility. Interest on the borrowings under the IS revolving credit facility is due monthly. Borrowings under the IS revolving credit facility bear interest at an annual rate based on Term SOFR (as defined by the IS revolving credit facility). In April 2024, we amended the IS revolving credit facility to, among other things, (a) change the date

on which payments are made to borrower from the collections account from monthly to weekly and (b) increase the applicable margin by 0.75% which results in a revised margin of (i) 3.25% for term SOFR loans and (ii) 2.25% for base rate loans. In December 2024, we amended the IS revolving credit facility to, among other things, increase the amount of letter of credit that can be issued under the IS revolving credit facility from $0 to $6.0 million.

SOLV Debt. In April 2023, we pooled and transferred eligible solar energy systems and the related asset receivables into wholly-owned subsidiaries of SOLV, a special purpose entity, that issued $300.0 million in aggregate principal amount of Series 2023-1 Class A solar asset-backed notes and $23.5 million in aggregate principal amount of Series 2023-1 Class B solar asset-backed notes (collectively, the "SOLV Notes") with a maturity date of April 2058. The SOLV Notes were issued at a discount of 5.01% and 11.63% for the Class A and Class B notes, respectively, and bear interest at an annual rate equal to 5.40% and 7.35% for the Class A and Class B notes, respectively. The cash flows generated by the solar energy systems of SOLV's subsidiaries are used to service the quarterly principal and interest payments on the SOLV Notes and satisfy SOLV's expenses, and any remaining cash can be distributed to Sunnova Sol V Depositor, LLC, SOLV's sole member. In connection with the SOLV Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to a transaction management agreement and management and servicing agreements. In addition, Sunnova Energy Corporation has guaranteed (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to a transaction management agreement and management and servicing agreements, (b) the managing members' obligations, in such capacity, under the related financing fund's limited liability company agreement and (c) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar energy systems eventually sold to SOLV pursuant to the sale and contribution agreement. SOLV is also required to maintain certain reserve accounts for the benefit of the holders of the SOLV Notes, each of which must remain funded at all times to the levels specified in the SOLV Notes. The indenture requires SOLV to track the debt service coverage ratio (such ratio, the "DSCR") of (a) the amount of certain payments received from customers, certain performance based incentives, certain energy credits and any applicable insurance proceeds as of a specific date to (b) interest and scheduled principal due on the SOLV Notes as of such date, with the potential to enter into an early amortization period if the DSCR drops below a certain threshold. The holders of the SOLV Notes have no recourse to our other assets except as expressly set forth in the SOLV Notes.

HELXI Debt. In May 2023, we pooled and transferred eligible solar loans and the related receivables into HELXI, a special purpose entity, that issued $174.9 million in aggregate principal amount of Series 2023-A Class A solar loan-backed notes, $80.1 million in aggregate principal amount of Series 2023-A Class B solar loan-backed notes and $31.7 million in aggregate principal amount of Series 2023-A Class C solar loan-backed notes (collectively, the "HELXI Notes") with a maturity date of May 2050. The HELXI Notes were issued at a discount of 2.57% for Class A, 5.31% for Class B and 13.56% for Class C and bear interest at an annual rate of 5.30%, 5.60% and 6.00% for the Class A, Class B and Class C notes, respectively. The cash flows generated by these solar loans are used to service the monthly principal and interest payments on the HELXI Notes and satisfy HELXI's expenses, and any remaining cash can be distributed to Sunnova Helios XI Depositor, LLC, HELXI's sole member. In connection with the HELXI Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to management and service agreements. In addition, Sunnova Energy Corporation has guaranteed, among other things, (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to management and servicing agreements and (b) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar loans eventually sold to HELXI pursuant to the related sale and contribution agreement. HELXI is also required to maintain certain reserve accounts for the benefit of the holders of the HELXI Notes, each of which must be funded at all times to the levels specified in the HELXI Notes. The holders of the HELXI Notes have no recourse to our other assets except as expressly set forth in the HELXI Notes.

HELXII Debt. In August 2023, we pooled and transferred eligible solar loans and the related receivables into HELXII, a special purpose entity, that issued $148.5 million in aggregate principal amount of Series 2023-B Class A solar loan-backed notes, $71.1 million in aggregate principal amount of Series 2023-B Class B solar loan-backed notes and $23.1 million in aggregate principal amount of Series 2023-B Class C solar loan-backed notes (collectively, the "HELXII Notes") with a maturity date of August 2050. The HELXII Notes were issued at a discount of 4.23% for Class A, 6.67% for Class B and 12.64% for Class C and bear interest at an annual rate of 5.30%, 5.60% and 6.00% for the Class A, Class B and Class C notes, respectively. The cash flows generated by these solar loans are used to service the monthly principal and interest payments on the HELXII Notes and satisfy HELXII's expenses, and any remaining cash can be distributed to Sunnova Helios XII Depositor, LLC, HELXII's sole member. In connection with the HELXII Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to management and service agreements. In addition, Sunnova Energy Corporation has guaranteed, among other things, (a) the obligations of certain of our subsidiaries to manage and service the solar energy systems pursuant to management and servicing agreements and (b) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar loans eventually sold to HELXII pursuant to the related sale and contribution agreement. HELXII is also required to maintain certain reserve accounts for the benefit of the holders of the HELXII Notes, each of which must be funded at all times to the levels specified in the HELXII Notes. The holders of the HELXII Notes have no recourse to

our other assets except as expressly set forth in the HELXII Notes.

AP9 Debt. In September 2023, AP9 entered into a secured revolving credit facility with Citibank, N.A., as administrative agent, and the lenders party thereto, for an aggregate commitment amount of $65.0 million, subject to a borrowing base calculated based on the sum of a specified advance rate applied to the net aggregate balance of the home improvement loans securing the AP9 revolving credit facility, with a maturity date of October 2027. The proceeds of the loans under the AP9 revolving credit facility were available for funding the purchase of home improvement loans and the related home improvement assets, fund certain reserve accounts that are required to be maintained by AP9 in accordance with the AP9 revolving credit facility and pay fees and expenses incurred in connection with the AP9 revolving credit facility. Interest on the borrowings under the AP9 revolving credit facility was due monthly. Borrowings under the AP9 revolving credit facility bore interest at an annual rate based on Term SOFR (as defined by the AP9 revolving credit facility) plus a margin specific to each lender. In connection with the AP9 revolving credit facility, one of our affiliates received a fee for servicing the home improvement loans and related home improvement assets pursuant to a servicing agreement. In addition, Sunnova Energy Corporation guaranteed (a) the servicer's obligations to service the home improvement loans and related home improvement assets pursuant to the servicing agreement, (b) some of the obligations of Sunnova Asset Portfolio 9 Holdings, LLC, a Delaware limited liability company ("AP9H") pursuant to that certain sale and contribution agreement between AP9H and AP9, which include specified indemnity obligations and refund obligations for certain breaches of representations and warranties in respect of the home improvement loans, (c) AP9H's obligations to repurchase or substitute certain ineligible home improvement loans or cure a defective home improvement loan sold to AP9 pursuant to the sale and contribution agreement and (d) certain indemnification obligations related to its affiliates in connection with the AP9 revolving credit facility, but does not provide a general guarantee of AP9's obligations under the AP9 revolving credit facility or of the creditworthiness of the assets of AP9 pledged as the collateral for the AP9 revolving credit facility. Under the limited guarantee, Sunnova Energy Corporation was subject to certain financial covenants regarding tangible net worth, working capital and restrictions on the use of proceeds from the AP9 revolving credit facility. Obligations of AP9 under the AP9 revolving credit facility were secured by first priority liens on substantially all of the assets of AP9. Certain obligations of AP9H under the sale and contribution agreement were secured by a first priority lien on the equity of AP9 owned by AP9H. In October 2024, we voluntarily terminated the AP9 revolving credit facility. At the time of termination, no loans were outstanding under the AP9 revolving credit facility. Upon termination, all outstanding obligations under the AP9 revolving credit facility were paid in full and all hedging agreements permitted by the AP9 revolving credit facility were settled.

HESI Debt. In October 2023, we entered into a note purchase agreement, which will indirectly benefit from a partial guarantee provided by the U.S. Department of Energy ("DOE") Loan Programs Office. The notes will not be directly guaranteed by the DOE. The offering consists of $219.6 million in aggregate principal amount of Series 2023-GRID1 Class A solar loan-backed notes and $24.4 million in aggregate principal amount of Series 2023-GRID1 Class B solar loan-backed notes (collectively, the "HESI Notes") with a maturity date of December 2050. The HESI Notes were issued at a discount of 2.46% for Class A and 9.40% for Class B and bear interest at an annual rate of 5.75% and 8.25% for the Class A and Class B notes, respectively.

BMB Debt. In December 2023, BMB, along with its two wholly-owned subsidiaries, entered into a secured revolving credit facility with Mitsubishi HC Capital America, Inc., as administrative agent, and the lenders party thereto from time to time, for an aggregate principal amount of up to $25.0 million with a maturity date, for each loan thereunder, as set forth in the BMB revolving credit facility and, in any event, no later than December 27, 2025 (after giving effect to any extension thereof pursuant to that aforementioned BMB revolving credit facility). The proceeds of the loans under the BMB revolving credit facility are available to, among other things, finance project costs related to commercial, industrial and other solar energy systems and energy storage systems owned by BMB or one of its subsidiaries or by a customer (each, a "Project"). The BMB revolving credit facility is also available to finance completed Projects. Interest on the borrowings under the BMB revolving credit facility is due monthly (or, in the case of borrowings for construction loans, paid in kind monthly). Borrowings under the BMB revolving credit facility bear interest at an annual rate (which can vary for different Projects) based on Term SOFR plus a specified margin or, in the case of certain term loans for completed Projects, a fixed margin. In connection with the BMB revolving credit facility, certain of our affiliates receive fees for managing and servicing the Projects pursuant to certain management and servicing agreements. In addition, Sunnova Energy Corporation guarantees the obligations of certain of its affiliates under those certain management agreements, servicing agreements, a sale and contribution agreement and a development and purchase agreement, along with reasonable and documented out-of-pocket expenses incurred by BMB or the administrative agent in enforcing their respective rights thereunder, but does not provide a general guarantee of BMB's obligations under the BMB revolving credit facility or of the creditworthiness of the assets of BMB and its wholly-owned subsidiaries that are pledged as collateral for the BMB revolving credit facility.

SOLVI Debt. In February 2024, we pooled and transferred eligible solar energy systems and the related asset receivables into wholly-owned subsidiaries of SOLVI, a special purpose entity, that issued $194.5 million in aggregate

principal amount of Series 2024-1 Class A solar asset-backed notes, $16.5 million in aggregate principal amount of Series 2024-1 Class B solar asset-backed notes and $15.0 million in aggregate principal amount of Series 2024-1 Class C solar asset-backed notes (collectively, the "SOLVI Notes") with a maturity date of January 2059. The SOLVI Notes were issued at a discount of 4.66%, 7.08% and 13.98% for the Class A, Class B and Class C notes, respectively, and bear interest at an annual rate equal to 5.65%, 7.00% and 9.00% for the Class A, Class B and Class C notes, respectively. The cash flows generated by the solar energy systems and the related asset receivables of SOLVI's subsidiaries are used to service the quarterly principal and interest payments on the SOLVI Notes and satisfy SOLVI's expenses, and any remaining cash can be distributed to Sunnova SOL VI Depositor, LLC, SOLVI's sole member. In connection with the SOLVI Notes, certain of our affiliates receive a fee for managing the solar energy systems and servicing the related asset receivables pursuant to a transaction management agreement and management and servicing agreements. In addition, Sunnova Energy Corporation has guaranteed (a) the obligations of certain of our subsidiaries to manage the solar energy systems and service the related asset receivables pursuant to a transaction management agreement and management and servicing agreements, (b) the managing members' obligations, in such capacity, under the related financing fund's limited liability company agreement and (c) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar energy systems eventually sold to SOLVI pursuant to the sale and contribution agreement. SOLVI is also required to maintain certain reserve accounts for the benefit of the holders of the SOLVI Notes, each of which must remain funded at all times to the levels specified in the SOLVI Notes. The indenture requires SOLVI to track the debt service coverage ratio (such ratio, the "DSCR") of (a) the amount of certain payments received from customers, certain performance based incentives, certain energy credits and any applicable insurance proceeds as of a specific date to (b) interest and scheduled principal due on the SOLVI Notes as of such date, with the potential to enter into an early amortization period if the DSCR drops below a certain threshold. The holders of the SOLVI Notes have no recourse to our other assets except as expressly set forth in the SOLVI Notes.

HELXIII Debt. In February 2024, we pooled and transferred eligible solar loans and home improvement loans and the related receivables into HELXIII, a special purpose entity, that issued $166.0 million in aggregate principal amount of Series 2024-A Class A loan-backed notes, $33.9 million in aggregate principal amount of Series 2024-A Class B loan-backed notes and $27.1 million in aggregate principal amount of Series 2024-A Class C loan-backed notes (collectively, the "HELXIII Notes") with a maturity date of February 2051. The HELXIII Notes were issued at a discount of 2.77%, 2.83% and 7.18% for the Class A, Class B and Class C notes, respectively, and bear interest at an annual rate of 5.30%, 6.00% and 7.00% for the Class A, Class B and Class C notes, respectively. The cash flows generated by these solar loans and home improvement loans are used to service the monthly principal and interest payments on the HELXIII Notes and satisfy HELXIII's expenses, and any remaining cash can be distributed to Sunnova Helios XIII Depositor, LLC, HELXIII's sole member. In connection with the HELXIII Notes, certain of our affiliates receive a fee for managing the solar energy systems and servicing the loans pursuant to management and servicing agreements. In addition, Sunnova Energy Corporation has guaranteed, among other things, (a) the obligations of certain of our subsidiaries to manage the solar energy systems and service the loans pursuant to management and servicing agreements and (b) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible loans eventually sold to HELXIII pursuant to the related sale and contribution agreement. HELXIII is also required to maintain certain reserve accounts for the benefit of the holders of the HELXIII Notes, each of which must be funded at all times to the levels specified in the HELXIII Notes. The holders of the HELXIII Notes have no recourse to our other assets except as expressly set forth in the HELXIII Notes.

HESII Debt. In June 2024, we pooled and transferred eligible solar loans and home improvement loans and the related receivables into HESII, a special purpose entity, that issued $152.0 million in aggregate principal amount of Series 2024-GRID1 Class A solar loan-backed notes and $16.9 million in aggregate principal amount of Series 2024-GRID1 Class B solar loan-backed notes (collectively, the "HESII Notes") with a maturity date of July 2051. The HESII Notes indirectly benefit from a partial guarantee provided by the U.S. Department of Energy ("DOE") Loan Programs Office. The HESII Notes are not directly guaranteed by the DOE. The HESII Notes were issued at a discount of 0.0036% and 0.67% for the Class A and Class B notes, respectively, and bear interest at an annual rate of 5.63% and 9.50% for the Class A and Class B notes, respectively.

HELXIV Debt. In June 2024, we pooled and transferred eligible solar loans and the related receivables into HELXIV, a special purpose entity, that issued $151.9 million in aggregate principal amount of Series 2024-B Class A solar loan-backed notes, $54.4 million in aggregate principal amount of Series 2024-B Class B solar loan-backed notes and $24.6 million in aggregate principal amount of Series 2024-B Class C solar loan-backed notes (collectively, the "HELXIV Notes") with a maturity date of May 2051. The HELXIV Notes were issued at a discount of 2.16%, 1.62% and 13.76% for the Class A, Class B and Class C notes, respectively, and bear interest at an annual rate of 6.15%, 7.00% and 8.00% for the Class A, Class B and Class C notes, respectively. The cash flows generated by these solar loans are used to service the monthly principal and interest payments on the HELXIV Notes and satisfy HELXIV's expenses, and any remaining cash can be distributed to Sunnova Helios XIV Depositor, LLC, HELXIV's sole member. In connection with the HELXIV Notes, certain of our affiliates receive a fee for managing and servicing the solar energy systems pursuant to management and service agreements. In addition, Sunnova Energy Corporation has guaranteed, among other things, (a) the obligations of certain of our subsidiaries to manage and service the

solar energy systems pursuant to management and servicing agreements and (b) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar loans eventually sold to HELXIV pursuant to the related sale and contribution agreement. HELXIV is also required to maintain certain reserve accounts for the benefit of the holders of the HELXIV Notes, each of which must be funded at all times to the levels specified in the HELXIV Notes. The holders of the HELXIV Notes have no recourse to our other assets except as expressly set forth in the HELXIV Notes.

SOLVII Debt. In August 2024, we pooled and transferred eligible solar energy systems and the related asset receivables into wholly-owned subsidiaries of SOLVII, a special purpose entity, that issued $308.5 million in aggregate principal amount of Series 2024-2 Class A solar asset-backed notes and $11.7 million in aggregate principal amount of Series 2024-2 Class B solar asset-backed notes (collectively, the "SOLVII Notes") with a maturity date of July 2059. The SOLVII Notes were issued at a discount of 2.54% and 9.99% for the Class A and Class B notes, respectively, and bear interest at an annual rate equal to 6.58% and 9.00% for the Class A and Class B notes, respectively. The cash flows generated by the solar energy systems and the related asset receivables of SOLVII's subsidiaries are used to service the quarterly principal and interest payments on the SOLVII Notes and satisfy SOLVII's expenses, and any remaining cash can be distributed to Sunnova Sol VII Depositor, LLC, SOLVII's sole member. In connection with the SOLVII Notes, certain of our affiliates receive a fee for managing the solar energy systems and servicing the related asset receivables pursuant to a transaction management agreement and management and servicing agreements. In addition, Sunnova Energy Corporation has guaranteed (a) the obligations of certain of our subsidiaries to manage the solar energy systems and service the related asset receivables pursuant to a transaction management agreement and management and servicing agreements, (b) the managing members' obligations, in such capacity, under the related financing fund's limited liability company agreement and (c) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar energy systems eventually sold to SOLVII pursuant to the sale and contribution agreement. SOLVII is also required to maintain certain reserve accounts for the benefit of the holders of the SOLVII Notes, each of which must remain funded at all times to the levels specified in the SOLVII Notes. The indenture requires SOLVII to track the debt service coverage ratio (such ratio, the "DSCR") of (a) the amount of certain payments received from customers, certain performance based incentives, certain energy credits and any applicable insurance proceeds as of a specific date to (b) interest and scheduled principal due on the SOLVII Notes as of such date, with the potential to enter into an early amortization period if the DSCR drops below a certain threshold. The holders of the SOLVII Notes have no recourse to our other assets except as expressly set forth in the SOLVII Notes.

SOLVIII Debt. In October 2024, we pooled and transferred eligible solar energy systems and the related asset receivables into wholly-owned subsidiaries of SOLVIII, a special purpose entity, that issued $295.2 million in aggregate principal amount of Series 2024-3 Class A solar asset-backed notes and $12.9 million in aggregate principal amount of Series 2024-3 Class B solar asset-backed notes (collectively, the "SOLVIII Notes") with a maturity date of July 2059. The SOLVIII Notes were issued at a discount of 1.85% and 1.63% for the Class A and Class B notes, respectively, and bear interest at an annual rate equal to 6.45% and 8.78% for the Class A and Class B notes, respectively. The cash flows generated by the solar energy systems and the related asset receivables of SOLVIII's subsidiaries are used to service the quarterly principal and interest payments on the SOLVIII Notes and satisfy SOLVIII's expenses, and any remaining cash can be distributed to Sunnova Sol VIII Depositor, LLC, SOLVIII's sole member. In connection with the SOLVIII Notes, certain of our affiliates receive a fee for managing the solar energy systems and servicing the related asset receivables pursuant to a transaction management agreement and management and servicing agreements. In addition, Sunnova Energy Corporation has guaranteed (a) the obligations of certain of our subsidiaries to manage the solar energy systems and service the related asset receivables pursuant to a transaction management agreement and management and servicing agreements, (b) the managing members' obligations, in such capacity, under the related financing fund's limited liability company agreement and (c) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar energy systems eventually sold to SOLVIII pursuant to the sale and contribution agreement. SOLVIII is also required to maintain certain reserve accounts for the benefit of the holders of the SOLVIII Notes, each of which must remain funded at all times to the levels specified in the SOLVIII Notes. The indenture requires SOLVIII to track the debt service coverage ratio (such ratio, the "DSCR") of (a) the amount of certain payments received from customers, certain performance based incentives, certain energy credits and any applicable insurance proceeds as of a specific date to (b) interest and scheduled principal due on the SOLVIII Notes as of such date, with the potential to enter into an early amortization period if the DSCR drops below a certain threshold. The holders of the SOLVIII Notes have no recourse to our other assets except as expressly set forth in the SOLVIII Notes.

AURI Debt. In December 2024, we pooled and transferred eligible solar energy systems and the related asset receivables into wholly-owned subsidiaries of AURI, a special purpose entity, that issued $197.6 million in aggregate principal amount of Series 2024-PR1 Class A solar asset-backed notes (of which $68.8 million is held by AP8), $17.9 million in aggregate principal amount of Series 2024-PR1 Class B solar asset-backed notes (of which $6.2 million is held by AP8) and $12.7 million in aggregate principal amount of Series 2024-PR1 Class C solar asset-backed notes (collectively, the "AURI Notes") with a maturity date of October 2059. The AURI Notes were issued at a discount of 7.62%, 13.67% and 10.40% for the Class A, Class B and Class C notes, respectively, and bear interest at an annual rate equal to 6.50%, 6.70% and 11.00% for the Class A, Class

B and Class C notes, respectively. The cash flows generated by the solar energy systems and the related asset receivables of AURI's subsidiaries are used to service the quarterly principal and interest payments on the AURI Notes and satisfy AURI's expenses, and any remaining cash can be distributed to Sunnova Aurora I Depositor, LLC, AURI's sole member. In connection with the AURI Notes, certain of our affiliates receive a fee for managing the solar energy systems and servicing the related asset receivables pursuant to a transaction management agreement and management and servicing agreements. In addition, Sunnova Energy Corporation has guaranteed (a) the obligations of certain of our subsidiaries to manage the solar energy systems and service the related asset receivables pursuant to a transaction management agreement and management and servicing agreements, (b) the managing members' obligations, in such capacity, under the related financing fund's limited liability company agreement and (c) certain of our subsidiaries' obligations to repurchase or substitute certain ineligible solar energy systems eventually sold to AURI pursuant to the sale and contribution agreement. AURI is also required to maintain certain reserve accounts for the benefit of the holders of the AURI Notes, each of which must remain funded at all times to the levels specified in the AURI Notes. The indenture requires AURI to track the DSCR of (a) the amount of certain payments received from customers, certain performance based incentives, certain energy credits and any applicable insurance proceeds as of a specific date to (b) interest and scheduled principal due on the AURI Notes as of such date, with the potential to enter into an early amortization period if the DSCR drops below a certain threshold. The holders of the AURI Notes have no recourse to our other assets except as expressly set forth in the AURI Notes.

Fair Values of Long-Term Debt. The fair values of our long-term debt and the corresponding carrying values are as

follows:

	As of December 31, 2024		As of December 31, 2023	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
	(in thousands)			
SEI 0.25% convertible senior notes	$ 575,000	$ 342,114	$ 575,000	$ 397,728
SEI 2.625% convertible senior notes	600,000	237,000	600,000	390,000
Sunnova Energy Corporation notes payable	2,489	2,489	3,084	3,084
Sunnova Energy Corporation 5.875% senior notes	400,000	333,804	400,000	339,236
Sunnova Energy Corporation 11.75% senior notes	400,000	283,656	400,000	365,000
EZOP revolving credit facility	166,640	166,640	511,000	511,000
HELII solar asset-backed notes	195,267	187,463	203,998	198,590
RAYSI solar asset-backed notes	105,693	95,188	111,445	102,480
HELIII solar loan-backed notes	88,513	80,453	96,215	87,982
TEPH revolving credit facility	1,167,950	1,167,950	1,036,600	1,036,600
SOLI solar asset-backed notes	335,254	296,462	348,839	310,928
HELIV solar loan-backed notes	100,266	91,562	108,312	96,603
AP8 credit facility	—	—	215,000	215,000
AP8 notes payable	75,000	75,164	—	—
SOLII solar asset-backed notes	219,654	183,326	229,150	192,589
HELV solar loan-backed notes	138,365	125,416	147,969	132,533
SOLIII solar asset-backed notes	254,840	216,337	273,307	235,318
HELVI solar loan-backed notes	163,759	146,402	173,422	153,836
HELVII solar loan-backed notes	126,850	114,480	133,715	120,413
HELVIII solar loan-backed notes	250,183	228,803	263,015	241,599
SOLIV solar asset-backed notes	322,758	309,118	334,076	325,816
HELIX solar loan-backed notes	201,305	190,531	211,420	203,375
HELX solar loan-backed notes	209,887	207,941	220,838	221,655
IS revolving credit facility	7,419	7,419	31,300	31,300
SOLV solar asset-backed notes	312,406	304,836	320,619	317,481
HELXI solar loan-backed notes	260,127	254,157	278,491	275,323
HELXII solar loan-backed notes	216,404	216,501	236,924	242,091
AP9 revolving credit facility	—	—	12,118	12,118
HESI solar loan-backed notes	224,614	225,773	240,057	249,318
BMB revolving credit facility	832	832	—	—
SOLVI solar asset-backed notes	222,780	221,731	—	—
HELXIII solar loan-backed notes	209,026	207,723	—	—
HESII solar loan-backed notes	162,637	160,751	—	—
HELXIV solar loan-backed notes	225,297	223,976	—	—
SOLVII solar asset-backed notes	318,696	306,924	—	—
SOLVIII solar asset-backed notes	308,100	298,918	—	—
AURI solar asset-backed notes	153,201	153,540	—	—
Total (1)	$ 8,721,212	$ 7,665,380	$ 7,715,914	$ 7,008,996

(1) Amounts exclude the net deferred financing costs (classified as debt) and net debt discounts of $260.8 million and $201.7 million as of December 31, 2024 and 2023, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the notes payable, EZOP, TEPH, IS and BMB debt, the estimated fair values approximate the carrying amounts primarily due to the variable nature of the interest rates of the underlying instruments. For the convertible senior notes and senior notes, we determined the estimated fair values based on observed market trading prices. For the HELII, RAYSI, HELIII, SOLI, HELIV, AP8, SOLII, HELV, SOLIII, HELVI, HELVII, HELVIII, SOLIV, HELIX, HELX, SOLV, HELXI, HELXII, HESI, SOLVI, HELXIII, HESII, HELXIV, SOLVII, SOLVIII and AURI debt, we determined the estimated fair values based on an analysis of debt with similar book values, maturities and required market yields based on current interest rates.

We have revised our previously issued annual financial statements to correct immaterial errors related to the presentation of the fair value of our long-term debt. We have evaluated the historical presentation in our previously issued annual financial statements and concluded the disclosure errors are immaterial. The following table presents a summary of these changes in the estimated fair values for certain of our debt instruments:

	As of December 31, 2023	
	As Reported	As Revised
	(in thousands)	
SEI 0.25% convertible senior notes	$ 528,927	$ 397,728
SEI 2.625% convertible senior notes	$ 582,463	$ 390,000
Sunnova Energy Corporation 5.875% senior notes	$ 369,522	$ 339,236
Sunnova Energy Corporation 11.75% senior notes	$ 411,996	$ 365,000

Principal Maturities of Long-Term Debt. As of December 31, 2024, the principal maturities of our long-term debt were as follows:

	Principal Maturities of Long-Term Debt
	(in thousands)
2025	$ 327,228
2026	2,607,108
2027	290,814
2028	1,308,832
2029	711,618
2030 and thereafter	3,475,612
Total	$ 8,721,212

(8) Derivative Instruments

Interest Rate Swaps and Caps on EZOP Debt. During the years ended December 31, 2024 and 2023, EZOP entered into interest rate swaps and caps for an aggregate notional amount of $277.4 million and $1.1 billion, respectively, to economically hedge its exposure to the variable interest rates on a portion of the outstanding EZOP debt. No collateral was posted for the interest rate swaps and caps as they are secured under the EZOP revolving credit facility. In July 2024, the notional amount of the interest rate swaps and caps began decreasing to match EZOP's estimated monthly principal payments on the debt. During the years ended December 31, 2024 and 2023, EZOP unwound interest rate swaps and caps with an aggregate notional amount of $699.7 million and $798.0 million, respectively, and recorded a realized gain of $27.0 million and $45.8 million, respectively.

Interest Rate Swaps and Caps on TEPH Debt. During the years ended December 31, 2024 and 2023, TEPH entered into interest rate swaps and caps for an aggregate notional amount of $1.2 billion and $851.6 million, respectively, to economically hedge its exposure to the variable interest rates on a portion of the outstanding TEPH debt. No collateral was posted for the interest rate swaps and caps as they are secured under the TEPH revolving credit facility. In October 2025, the notional amount of the interest rate swaps and caps will begin decreasing to match TEPH's estimated quarterly principal payments on the debt. During the years ended December 31, 2024 and 2023, TEPH unwound interest rate swaps and caps with an aggregate notional amount of $837.2 million and $241.1 million, respectively, and recorded a realized gain of $26.6 million and $9.7 million, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Interest Rate Swaps and Caps on AP8 Debt. During the years ended December 31, 2024 and 2023, AP8 entered into interest rate swaps and caps for an aggregate notional amount of $0 and $140.0 million, respectively, to economically hedge its exposure to the variable interest rates on a portion of the outstanding AP8 debt. No collateral was posted for the interest rate swaps and caps as they are secured under the AP8 revolving credit facility. The notional amount of the interest rate swaps and caps is locked for the life of the contract. During the years ended December 31, 2024 and 2023, AP8 unwound interest rate swaps and caps with an aggregate notional amount of $215.0 million and $0, respectively, and recorded a realized loss of $1.9 million and a realized gain of $1.1 million, respectively. In December 2024, all AP8 interest rate swaps and caps were unwound and terminated.

Interest Rate Swaps and Caps on AP9 Debt. During the years ended December 31, 2024 and 2023, AP9 entered into interest rate swaps and caps for an aggregate notional amount of $0 and $25.0 million, respectively, to economically hedge its exposure to the variable interest rates on a portion of the outstanding AP9 debt. No collateral was posted for the interest rate swaps and caps as they are secured under the AP9 revolving credit facility. During the years ended December 31, 2024 and 2023, AP9 unwound interest rate swaps and caps with an aggregate notional amount of $25.0 million and $0, respectively, and recorded a realized loss of $620,000 and a realized gain of $62,000, respectively. In September 2024, all AP9 interest rate swaps and caps were unwound and terminated.

The following table presents a summary of the outstanding derivative instruments:

	As of December 31,							
	2024				2023			
	Effective Date	Termination Date	Fixed Interest Rate	Aggregate Notional Amount	Effective Date	Termination Date	Fixed Interest Rate	Aggregate Notional Amount
	(in thousands, except interest rates)							
EZOP	June 2024 - November 2024	June 2029 - December 2031	4.000%	$ 148,303	July 2023 - December 2023	December 2028 - November 2035	2.000%	$ 489,581
TEPH	December 2023 - August 2024	April 2038 - January 2043	3.430% - 4.312%	1,130,190	July 2022 - December 2023	October 2031 - October 2041	2.620% - 4.202%	994,403
AP8				—	November 2022 - August 2023	September 2025	4.250%	215,000
AP9				—	September 2023	September 2027	4.250%	25,000
Total				$ 1,278,493				$ 1,723,984

The following table presents the fair value of the interest rate swaps and caps as recorded in the Consolidated Balance Sheets:

	As of December 31,	
	2024	2023
	(in thousands)	
Other assets	$ 11,954	$ 55,471

We did not designate the interest rate swaps and caps as hedging instruments for accounting purposes. As a result, we recognize changes in fair value immediately in interest expense, net. The following table presents the impact of the interest rate swaps and caps as recorded in the Consolidated Statements of Operations:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
Realized gain	$ (51,047)	$ (56,623)	$ (51,207)
Unrealized (gain) loss	3,771	67,318	(19,451)
Total	$ (47,276)	$ 10,695	$ (70,658)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(9) Income Taxes

Our income tax (benefit) expense consists of the following:

	Year Ended December 31,		
	2024	2023	2022
		(in thousands)	
Current:			
Federal	$ (157,957)	$ (15,893)	$ —
State and territory	12,239	14,516	3,886
Current income tax (benefit) expense	(145,718)	(1,377)	3,886
Deferred:			
State and territory	1,205	354	—
Deferred income tax expense	1,205	354	—
Total income tax (benefit) expense	$ (144,513)	$ (1,023)	$ 3,886

Our effective income tax benefit (expense) rate for the years ended December 31, 2024, 2023 and 2022 is 24%, 0% and (3)%, respectively. Total income tax differs from the amounts computed by applying the statutory income tax rate to loss before income tax primarily as a result of the intercompany sale of solar energy systems to our tax equity partnerships, our valuation allowance and income tax benefit from the sale of ITCs. The sources of these differences are as follows:

	Year Ended December 31,		
	2024	2023	2022
		(in thousands)	
Loss before income tax	$ (592,286)	$ (503,449)	$ (126,390)
Statutory federal tax rate	21 %	21 %	21 %
Tax benefit computed at statutory rate	(124,380)	(105,724)	(26,542)
State and territory income tax, net of federal (benefit) expense	12,615	14,804	(3,167)
Adjustments from permanent differences:			
Tax equity activities	165,094	138,895	77,755
ITC sales	(157,956)	(15,893)	—
Redeemable noncontrolling interests and noncontrolling interests	16,775	17,738	(6,587)
ITC recapture	—	—	101
Other	2,002	4,179	1,992
Decrease in valuation allowance, net	(58,663)	(55,022)	(39,666)
Total income tax (benefit) expense	$ (144,513)	$ (1,023)	$ 3,886

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents a reconciliation of the statutory federal tax rate to our effective income tax benefit (expense) rate:

	Year Ended December 31,		
	2024	2023	2022
Statutory federal tax rate	21 %	21 %	21 %
State and territory income tax, net of federal (benefit) expense	(2)	(3)	3
Tax equity activities	(27)	(28)	(62)
ITC sales	26	3	—
Redeemable noncontrolling interests and noncontrolling interests	(3)	(4)	5
Other	—	—	(1)
Decrease in valuation allowance, net	9	11	31
Total effective income tax benefit (expense) rate	24 %	— %	(3)%

State, federal and foreign income tax (benefit) expense is $(144.5) million, $(1.0) million and $3.9 million for the years ended December 31, 2024, 2023 and 2022, respectively. The tax effects of temporary differences that give rise to significant portions of the deferred tax assets (liabilities) are as follows:

	As of December 31,	
	2024	2023
	(tax effected, in thousands)	
Federal net operating loss carryforward	$ 285,915	$ 238,447
State net operating loss carryforward	89,558	60,980
ITC carryforward	313,329	309,693
Foreign tax credit carryforward	8,297	18,087
Federal unused interest deduction carryforward	73,417	49,979
Equity-based compensation	10,618	22,935
Deferred revenue	7,331	7,433
Unrealized loss on derivatives	1,785	(17,119)
Other deferred tax assets	59,423	48,619
Deferred tax assets	849,673	739,054
Fixed asset basis difference	(315,435)	(253,194)
Intangible asset basis difference	(22,386)	(30,921)
Investment in certain financing arrangements	(367,350)	(223,620)
Other deferred tax liabilities	(2,907)	(4,259)
Deferred tax liabilities	(708,078)	(511,994)
Valuation allowance	(143,154)	(227,414)
Net deferred tax liability	$ (1,559)	$ (354)

We account for income taxes under ASC 740. We sell solar energy systems at a tax gain to our tax equity partnerships. Since the tax equity partnerships are considered variable interest entities, the tax gain is eliminated upon consolidation under U.S. GAAP. However, this is a taxable event for income tax purposes. As such, we recognize the tax expense when the sale occurs.

A valuation allowance of $143.2 million and $227.4 million was recorded against our net deferred tax assets as of December 31, 2024 and 2023, respectively. We believe it is not more likely than not that future taxable income and the reversal of deferred tax liabilities will be sufficient to realize our net deferred tax assets. Our estimated federal tax net operating loss carryforward as of December 31, 2024 is approximately $1.4 billion, which will begin to expire in 2032 if not utilized. We also

generated $18.9 million of Section 48(a) ITCs in 2024 for a net $313.3 million through December 31, 2024, which will begin to expire in 2033 if not utilized. This amount represents ITCs generated and retained for our benefit, independent of credits generated within tax equity partnerships, or those sold to a third party.

We assessed whether we had any significant uncertain tax positions taken in a filed tax return, planned to be taken in a future tax return or claim, or otherwise subject to interpretation and determined there were none not more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position, or prospectively approved when such approval may be sought in advance. Should a provision for any interest or penalties relative to unrecognized tax benefits be necessary, it is our policy to accrue for such in our income tax accounts. There were no such accruals as of December 31, 2024 and 2023 and we do not expect a significant change in gross unrecognized tax benefits in the next twelve months. Our tax years after 2013 remain subject to examination by the IRS and by the taxing authorities in the states and territories in which we operate.

Under the provisions of the Internal Revenue Code and similar state provisions, our net operating loss carryforwards and tax credit carryforwards are subject to review and possible adjustment by the IRS and state tax authorities. Under Sections 382 and 383 of the Internal Revenue Code, as well as similar state provisions, our net operating loss and tax credit carryforwards may be subject to an annual limitation in the event of certain cumulative changes in the ownership interest of certain significant shareholders over a three-year period in excess of 50%. This could limit the amount of tax attributes that can be utilized annually to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the value of our company immediately prior to the ownership change. Subsequent ownership changes may further affect the limitation in future years. We experienced an ownership change in August 2020 as defined by Sections 382 and 383 of the Internal Revenue 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.

We conduct operations in the U.S. territories of Puerto Rico, Guam and the Commonwealth of the Northern Mariana Islands. As a result, our income tax expense includes the effects of taxes incurred in such jurisdictions where the tax code for the respective jurisdiction may have separate tax-reporting requirements.

In August 2022, the Inflation Reduction Act of 2022 (the "IRA") was signed into law. Among other things, the IRA expanded and extended the tax credits available to solar energy projects in an effort to achieve President Biden's non-binding target of net-zero emissions by 2050. The IRA extends the investment tax credit for eligible solar energy projects through at least 2033 and, 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, the investment tax credit percentage can range between 6% and 70%.

(10) Redeemable Noncontrolling Interests and Noncontrolling Interests

The following table summarizes our redeemable noncontrolling interests and noncontrolling interests as of December 31,

2024:

Tax Equity Entity	Balance Sheet Classification	Date Class A Member Admitted	Class A Member Capital Commitment
Sunnova TEP II, LLC ("TEPII")	Redeemable noncontrolling interests	December 2017	$ 45,000
Sunnova TEP III, LLC	Redeemable noncontrolling interests	January 2019	$ 50,000
Sunnova TEP IV-A, LLC ("TEPIVA")	Noncontrolling interests	August 2019	$ 75,000
Sunnova TEP IV-B, LLC ("TEPIVB")	Noncontrolling interests	December 2019	$ 50,000
Sunnova TEP IV-C, LLC ("TEPIVC")	Noncontrolling interests	February 2020	$ 75,000
Sunnova TEP IV-D, LLC ("TEPIVD")	Noncontrolling interests	May 2020	$ 155,000
Sunnova TEP IV-F, LLC	Noncontrolling interests	July 2020	$ 10,000
Sunnova TEP IV-E, LLC ("TEPIVE")	Noncontrolling interests	September 2020	$ 75,000
Sunnova TEP IV-G, LLC ("TEPIVG")	Noncontrolling interests	November 2020	$ 100,000
Sunnova TEP V-D, LLC ("TEPVD")	Noncontrolling interests	April 2021	$ 50,000
Sunnova TEP V-A, LLC	Noncontrolling interests	April 2021	$ 25,000
Sunnova TEP V-B, LLC ("TEPVB")	Noncontrolling interests	May 2021	$ 150,000
Sunnova TEP V-C, LLC ("TEPVC")	Noncontrolling interests	July 2021	$ 150,152
Sunnova TEP V-E, LLC	Redeemable noncontrolling interests	October 2021	$ 11,634
Sunnova TEP 6-A, LLC ("TEP6A")	Noncontrolling interests	December 2021	$ 57,676
Sunnova TEP 6-B, LLC ("TEP6B")	Noncontrolling interests	February 2022	$ 150,000
Sunnova TEP 6-E, LLC	Redeemable noncontrolling interests	May 2022	$ 17,452
Sunnova TEP 6-D, LLC ("TEP6D")	Noncontrolling interests	September 2022	$ 79,598
Sunnova TEP 6-C, LLC ("TEP6C")	Redeemable noncontrolling interests	October 2022	$ 30,000
Sunnova TEP 7-C, LLC	Redeemable noncontrolling interests	November 2022	$ 53,077
Sunnova TEP 7-A, LLC ("TEP7A")	Noncontrolling interests	December 2022	$ 61,364
Sunnova TEP 7-B, LLC	Redeemable noncontrolling interests	December 2022	$ 137,721
Sunnova TEP 7-D, LLC ("TEP7D")	Noncontrolling interests	December 2022	$ 250,000
Sunnova TEP 7-E, LLC	Redeemable noncontrolling interests	May 2023	$ 59,766
Sunnova TEP 7-G, LLC	Redeemable noncontrolling interests	August 2023	$ 111,704
Sunnova TEP 7-F, LLC	Redeemable noncontrolling interests	September 2023	$ 190,773
Sunnova TEP 8-A, LLC ("TEP8A")	Noncontrolling interests	December 2023	$ 59,000
Sunnova TEP 8-B, LLC	Noncontrolling interests	December 2023	$ 300,000
Sunnova TEP 8-C, LLC	Redeemable noncontrolling interests	December 2023	$ 103,950
Sunnova TEP 8-D, LLC	Redeemable noncontrolling interests	February 2024	$ 195,000
Sunnova TEP 8-E, LLC ("TEP8E")	Noncontrolling interests	May 2024	$ 250,000
Sunnova TEP 8-F, LLC	Redeemable noncontrolling interests	August 2024	$ 152,064
Sunnova TEP 8-G, LLC	Redeemable noncontrolling interests	October 2024	$ 95,040
Sunnova TEP 8-I, LLC	Redeemable noncontrolling interests	December 2024	$ 500,000

The purpose of the tax equity entities is to own and operate a portfolio of solar energy systems and energy storage systems. The terms of the tax equity entities' operating agreements contain allocations of taxable income (loss), Section 48(a) ITCs, Section 48E ITCs and cash distributions that vary over time and adjust between the members on an agreed date (referred to as the flip date). The operating agreements specify either a date certain flip date or an internal rate of return ("IRR") flip date. The date certain flip date is based on the passage of a fixed period of time that generally corresponds to the expiration of the recapture period associated with Section 48(a) ITCs and Section 48E ITCs or a year thereafter. The IRR flip date is the date on which the tax equity investor has achieved a contractual rate of return. From inception through the flip date, the Class A members' allocation of taxable income (loss) and Section 48(a) ITCs and Section 48E ITCs is generally 99% and the Class B members' allocation of taxable income (loss) and Section 48(a) ITCs and Section 48E ITCs is generally 1%. TEPIVA, TEPIVB, TEPIVC, TEPIVD, TEPIVE, TEPIVG, TEPVB, TEPVC, TEPVD, TEP6A, TEP6B, TEP6C, TEP6D, TEP7A, TEP7D, TEP8A and TEP8E also have a step-down period prior to the flip date during which the Class A members' allocation of certain items

within taxable income (loss) become 67% and the Class B members' allocation of certain items within taxable income (loss) become 33% and TEPIVG, TEPVB, TEPVC and TEP6B also have an additional step-down period prior to the flip date during which the Class A members' allocation of certain items within taxable income (loss) are further reduced and the Class B members' allocation of certain items within taxable income (loss) are further increased. After the related flip date (or, if the tax equity investor has a deficit capital account, typically after such deficit has been eliminated), the Class A members' allocation of taxable income (loss) will typically decrease to 5% (or, in some cases, a higher percentage if required by the tax equity investor) and the Class B members' allocation of taxable income (loss) will increase by an inverse amount.

The redeemable noncontrolling interests and noncontrolling interests are comprised of Class A units, which represent the tax equity investors' interest in the tax equity entities. Both the Class A members and Class B members have call options to allow either member to redeem the other member's interest in the tax equity entities upon the occurrence of certain contingent events, such as bankruptcy, dissolution/liquidation and forced divestitures of the tax equity entities. Additionally, except for TEPIVG, TEPVB and TEP6B, the Class B members have the option to purchase all Class A units, which is typically exercisable at any time during the periods specified under each respective governing document, and, in regard to the tax equity entities classified as redeemable noncontrolling interests, also have the contingent obligation to purchase all Class A units if the Class A members exercise their right to withdraw, which is typically exercisable at any time during the periods specified under each respective governing document. In June 2023, we exercised our purchase option to purchase 100% of the Class A member's interest in Sunnova TEP I, LLC ("TEPI") for $5.9 million. This purchase resulted in an increase in our equity in TEPI of $67.0 million. In October 2024, we exercised our purchase option to purchase 100% of the Class A members' interests in Sunnova TEP II-B, LLC ("TEPIIB") for approximately $4.2 million. This purchase resulted in an increase in our equity in TEPIIB of $33.4 million. The carrying values of the redeemable noncontrolling interests were equal to or greater than the estimated redemption values as of December 31, 2024 and 2023.

Guarantees. We are contractually obligated to make certain Class A members whole for losses they may suffer in certain limited circumstances resulting from the disallowance or recapture of Section 48(a) ITCs and Section 48E ITCs. We have concluded the likelihood of a significant recapture event is remote and consequently have not recorded a liability for any potential recapture exposure. The maximum potential future payments we could be required to make under this obligation would depend on the IRS successfully asserting upon audit the fair market values of the solar energy systems sold or transferred to the tax equity entities as determined by us exceed the allowable basis for the systems for purposes of claiming Section 48(a) ITCs or Section 48E ITCs. The fair market values of the solar energy systems and related Section 48(a) ITCs and Section 48E ITCs are determined, and the Section 48(a) ITCs and Section 48E ITCs are allocated to the Class A members, in accordance with the tax equity entities' operating agreements. Due to uncertainties associated with estimating the timing and amounts of distributions, the likelihood of an event that may trigger repayment, forfeiture or recapture of Section 48(a) ITCs and Section 48E ITCs to such Class A members, and the fact that we cannot determine how the IRS will evaluate system values used in claiming Section 48(a) ITCs and Section 48E ITCs, we cannot determine the potential maximum future payments that are required under these guarantees.

From time to time, we incur non-performance fees, which may include, but is not limited to, delays in the installation process and interconnection to the power grid of solar energy systems and other factors. The non-performance fees are settled by either a return of a portion of the Class A members' capital contributions or an additional payment to the Class A members. During the years ended December 31, 2024, 2023 and 2022, we paid $1.5 million, $766,000 and $9.5 million, respectively, related to non-performance fees. As of December 31, 2024 and 2023, we recorded a liability of $29.1 million and $3.2 million, respectively, related to non-performance fees.

(11) Stockholders' Equity

As of December 31, 2024 and 2023, our authorized number of shares of common stock was 1,000,000,000. In August 2023, we sold 5,865,000 shares of common stock at a public offering price of $14.75 per share. We received aggregate net proceeds of approximately $82.2 million, after deducting underwriting discounts and commissions of approximately $3.9 million and offering expenses of approximately $400,000. We used the net proceeds from the offering for general corporate purposes.

During the years ended December 31, 2024, 2023 and 2022, we issued 636,555, 693,443 and 694,446 shares of our common stock to Len X, LLC pursuant to the terms of the earnout agreement, as amended, entered into in connection with the acquisition of SunStreet Energy Group, LLC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(12) Equity-Based Compensation

Effective December 2013 and January 2015, we established and adopted two stock option plans (collectively, the "Prior Plans") after approval by our Board. The Prior Plans provided the aggregate number of shares of common stock that may be issued pursuant to stock options shall not exceed 26,032 shares. No further awards may be made under the Prior Plans.

Effective March 2016, we established and adopted a new stock option plan (the "2016 Plan") after approval by our Board. The 2016 Plan allowed for the issuance of non-qualified and incentive stock options. The 2016 Plan provided the aggregate number of shares of common stock that may be issued pursuant to stock options shall not exceed 4,288,950 shares. No further awards may be made under the 2016 Plan.

In connection with our IPO, our Board adopted the 2019 Long-Term Incentive Plan (the "LTIP") to incentivize employees, officers, directors and other service providers of SEI and its affiliates. The LTIP provides for the grant, from time to time, at the discretion of our Board or a committee thereof, of stock options, stock appreciation rights, stock awards, including restricted stock and restricted stock units, performance awards and cash awards. The LTIP provides the aggregate number of shares of common stock that may be issued pursuant to awards shall not exceed 5,229,318 shares. The number of shares available for issuance under the LTIP will be increased each fiscal year beginning in 2020, in an amount equal to the lesser of (a) a number of shares such that the total number of shares that remain available for additional grants under the LTIP equals five percent of the outstanding shares of our common stock on the last day of the immediately preceding fiscal year or (b) such number of shares determined by our Board. In February 2024, the aggregate number of shares of common stock that may be issued pursuant to awards under the LTIP was increased by 2,960,908, an amount that, together with the shares remaining available for grant under the LTIP, is equal to 6,123,326 shares, or approximately 5% of the number of shares of common stock outstanding as of December 31, 2023. Awards granted under the LTIP contain a service condition and cease vesting for employees, consultants and directors upon termination of employment or service. The grant date fair value of awards granted under the LTIP will be recognized ratably over the applicable vesting period of each award (typically either one year, two years, three years or seven years).

Stock Options

During 2022, 538,758 stock options were granted and 18,383 stock options were exercised resulting in the issuance of 18,383 shares of common stock in exchange for $213,000. During 2023, 1,017,493 stock options were granted and 41,788 stock options were exercised resulting in the issuance of 41,788 shares of common stock in exchange for $540,000. During 2024, 1,989,147 stock options were granted and 11,357 stock options were exercised resulting in the issuance of 11,357 shares of common stock in exchange for $21,000.

We used the following assumptions to apply the Black-Scholes option-pricing model to stock options granted during the years ended December 31, 2024, 2023 and 2022:

	Year Ended December 31,		
	2024	2023	2022
Expected dividend yield	0.00%	0.00%	0.00%
Risk-free interest rate	4.08% - 4.42%	3.50% - 4.38%	2.40%
Expected term (in years)	6.50 - 6.56	6.26 - 6.57	6.37 - 6.46
Volatility	74.49% - 78.23%	65.58% - 69.81%	58.76%

The expected volatility was calculated based on the average historical volatilities of publicly traded peer companies determined by us. The risk-free interest rate used was based on the U.S. treasury yield curve in effect at the time of grant for the expected term of the stock options to be valued. The expected dividend yield is zero as we do not anticipate paying common

stock dividends within the relevant time frame. The expected term has been estimated using the average of the contractual term and weighted average life of the stock options. The following tables summarize stock option activity:

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
					(in thousands)
Outstanding, December 31, 2022	3,259,459	$ 18.48	4.75		$ 10,341
Granted	1,017,493	$ 15.01	9.23	$ 8.82	
Exercised	(41,788)	$ 12.91			$ 203
Forfeited	(217,015)	$ 19.38		$ 8.77	
Outstanding, December 31, 2023	4,018,149	$ 17.61	4.97		$ 5,542
Granted	1,989,147	$ 6.87	9.20	$ 4.25	
Exercised	(11,357)	$ 1.85			$ 118
Forfeited	(619,553)	$ 14.75		$ 8.17	
Outstanding, December 31, 2024	5,376,386	$ 14.00	5.44		$ —
Exercisable, December 31, 2024	2,623,734	$ 17.02	1.96		$ —
Vested and expected to vest, December 31, 2024	5,376,386	$ 14.00	5.44		$ —
Non-vested, December 31, 2023	1,443,054			$ 10.78	
Non-vested, December 31, 2024	2,752,652			$ 6.43	

	Year Ended December 31,	
	2024	2023
	(in thousands, except number of stock options vested)	
Number of stock options vested	148,859	16,816
Grant date fair value of stock options vested	$ 2,247	$ 309

As of December 31, 2024, there was $8.6 million of total unrecognized compensation expense related to stock options, which is expected to be recognized over the remaining weighted average period of 1.76 years.

Restricted Stock Units

The following tables summarize restricted stock unit activity related to equity classified awards:

	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value
Outstanding, December 31, 2022	1,609,615	$ 20.62
Granted	2,155,890	$ 14.50
Vested	(1,009,102)	$ 18.10
Forfeited	(372,198)	$ 17.78
Outstanding, December 31, 2023	2,384,205	$ 16.60
Granted	6,136,329	$ 5.85
Vested	(2,135,502)	$ 11.10
Forfeited	(1,444,439)	$ 9.70
Outstanding, December 31, 2024	4,940,593	$ 7.65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Year Ended December 31,	
	2024	2023
	(in thousands, except number of restricted stock units vested)	
Number of restricted stock units vested	2,135,502	1,009,102
Grant date fair value of restricted stock units vested	$ 23,698	$ 18,262

As of December 31, 2024, there was $26.3 million of total unrecognized compensation expense related to equity classified restricted stock units, which is expected to be recognized over the remaining weighted average period of 1.50 years.

The following tables summarize restricted stock unit activity related to liability classified awards:

	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value
Outstanding, December 31, 2023	—	$ —
Granted	1,480,308	$ 6.29
Forfeited	(352,100)	$ 6.48
Outstanding, December 31, 2024	1,128,208	$ 3.43

	Year Ended December 31,	
	2024	2023
	(in thousands, except number of restricted stock units vested)	
Number of restricted stock units vested	—	—
Grant date fair value of restricted stock units vested	$ —	$ —

As of December 31, 2024, there was $2.8 million of total unrecognized compensation expense related to liability classified restricted stock units, which is expected to be recognized over the remaining weighted average period of 1.18 years.

Employee Stock Purchase Plan ("ESPP")

Effective May 2022, we established an ESPP. We are authorized to issue up to an aggregate 750,000 shares of common stock under the ESPP. The ESPP allows eligible employees to purchase shares of our common stock at a price per share equal to 95% of the lesser of the closing price of our common stock on the grant date or the purchase date. Payment for shares of our common stock is made as of the purchase date through payroll deductions on an after-tax basis over the designated purchase period. Each purchase period will generally be a six-month period commencing on January 1 and July 1 of each year, or such other period as the plan administrator may prescribe. The applicable purchase date is the last trading day of the purchase period or other such trading date designated by the plan administrator. An employee's payroll deductions under the ESPP are limited to 15% of the employee's eligible compensation with an annual limitation of $25,000. As of December 31, 2024 and 2023, the number of shares of common stock issued under the ESPP was 167,967 and 35,160, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(13) Basic and Diluted Net Loss Per Share

The following table sets forth the computation of our basic and diluted net loss per share:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands, except share and per share amounts)		
Net loss attributable to stockholders—basic and diluted	$ (367,893)	$ (417,961)	$ (161,642)
Net loss per share attributable to stockholders—basic and diluted	$ (2.96)	$ (3.53)	$ (1.41)
Weighted average common shares outstanding—basic and diluted	124,240,517	118,344,728	114,451,034

The following table presents the weighted average shares of common stock equivalents that were excluded from the computation of diluted net loss per share for the periods presented because including them would have been anti-dilutive:

	Year Ended December 31,		
	2024	2023	2022
Equity-based compensation awards	10,212,159	6,093,155	4,907,458
Convertible senior notes	34,150,407	34,150,407	23,228,952

(14) Commitments and Contingencies

Legal. We are a party to a number of lawsuits, claims and governmental proceedings that are ordinary, routine matters incidental to our business. In addition, in the ordinary course of business, we periodically have disputes with dealers and customers. We do not expect the outcomes of these matters to have, either individually or in the aggregate, a material adverse effect on our financial position or results of operations.

Performance Guarantee Obligations. The following table presents the detail of performance guarantee obligations as recorded in the Consolidated Balance Sheets:

	As of December 31,	
	2024	2023
	(in thousands)	
Other current liabilities	$ 3,527	$ 2,667
Other long-term liabilities	5,179	4,086
Total	$ 8,706	$ 6,753

The changes in our performance guarantee obligations are as follows:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Balance at beginning of period	$ 6,753	$ 4,845
Accruals	4,760	4,982
Settlements	(2,807)	(3,074)
Balance at end of period	$ 8,706	$ 6,753

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Operating and Finance Leases. We lease real estate and certain office equipment under operating leases and vehicles and certain other office equipment under finance leases. The following table presents the detail of lease expense as recorded in general and administrative expense in the Consolidated Statements of Operations:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
Operating lease expense	$ 3,019	$ 2,910	$ 2,753
Finance lease expense:			
Amortization expense	2,305	1,150	783
Interest on lease liabilities	277	109	60
Short-term lease expense	371	197	141
Variable lease expense	1,216	1,049	961
Total	$ 7,188	$ 5,415	$ 4,698

The following table presents the detail of right-of-use assets and lease liabilities as recorded in other assets and other current liabilities/other long-term liabilities, respectively, in the Consolidated Balance Sheets:

	As of December 31,	
	2024	2023
	(in thousands)	
Right-of-use assets:		
Operating leases	$ 10,941	$ 13,247
Finance leases	14,684	4,085
Total right-of-use assets	$ 25,625	$ 17,332
Current lease liabilities:		
Operating leases	$ 2,951	$ 2,883
Finance leases	4,580	1,348
Long-term leases liabilities:		
Operating leases	11,105	14,005
Finance leases	6,939	1,631
Total lease liabilities	$ 25,575	$ 19,867

Other information related to leases was as follows:

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 3,545	$ 2,765	$ 1,647
Operating cash flows from finance leases	$ 277	$ 109	$ 60
Financing cash flows from finance leases	$ 2,169	$ 1,059	$ 801
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	$ 90	$ 741	$ 245
Finance leases	$ 12,905	$ 2,759	$ 1,072

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	As of December 31,	
	2024	2023
Weighted average remaining lease term (years):		
Operating leases	4.58	5.51
Finance leases	3.59	3.12
Weighted average discount rate:		
Operating leases	4.01 %	4.06 %
Finance leases	5.81 %	6.26 %

Future minimum lease payments under our non-cancelable leases as of December 31, 2024 were as follows:

	Operating Leases	Finance Leases
	(in thousands)	
2025	$ 3,458	$ 5,125
2026	3,240	3,470
2027	3,304	2,487
2028	3,372	1,485
2029	2,113	—
2030 and thereafter	—	—
Total	15,487	12,567
Amount representing interest	(1,355)	(1,048)
Amount representing leasehold incentives	(76)	—
Present value of future payments	14,056	11,519
Current portion of lease liability	(2,951)	(4,580)
Long-term portion of lease liability	$ 11,105	$ 6,939

Letters of Credit. In connection with our payment obligations to a certain supplier, we have a letter of credit outstanding of $3.0 million and $0 as of December 31, 2024 and 2023, respectively. The letter of credit is cash collateralized for the same amount or a lesser amount and this cash is classified as restricted cash recorded in other current assets and other assets in the Consolidated Balance Sheets. The arrangement represents an off-balance sheet transaction and expires in November 2025 unless it is automatically renewed per the terms of the letter of credit.

Guarantees or Indemnifications. We enter into contracts that include indemnifications and guarantee provisions. In general, we enter into contracts with indemnities for matters such as breaches of representations and warranties and covenants contained in the contract and/or against certain specified liabilities. Examples of these contracts include dealer agreements, debt agreements, asset purchases and sales agreements, service agreements and procurement agreements. We are unable to estimate our maximum potential exposure under these agreements until an event triggering payment occurs. In November 2024, we amended an agreement with a certain party under which a commission guarantee is provided. Under this agreement, we guarantee commission payments to the party regardless of the volume or success of transactions executed through their efforts. As of December 31, 2024, the agreed-upon amount of the guarantee is $5.0 million and $7.0 million during the six months ended June 30, 2025 and December 31, 2025, respectively, for a maximum potential amount of $12.0 million that would be due under this guarantee. As of December 31, 2023, the agreed-upon amount of the guarantee was $12.0 million.

Dealer Commitments. As of December 31, 2024 and 2023, the net unamortized balance of payments to dealers for exclusivity and other similar arrangements was $208.5 million and $166.4 million, respectively. During the years ended December 31, 2024 and 2023, we amortized $8.7 million and $6.9 million, respectively. Under these agreements, we paid $45.4

million and $53.8 million during the years ended December 31, 2024 and 2023, respectively. We could be obligated to make maximum payments, excluding additional amounts payable on a per watt basis if even higher thresholds are met, as follows:

	Dealer Commitments
	(in thousands)
2025	$ 56,338
2026	35,000
2027	30,000
2028	—
2029	—
2030 and thereafter	—
Total	$ 121,338

Purchase Commitments. In September 2024, we amended an agreement with a supplier in which we agreed to purchase approximately $163.0 million of solar energy systems from October 2024 through June 2025. As of December 31, 2024, we are committed to purchase (or have our dealers purchase) $52.4 million and $56.5 million during the three months ended March 31, 2025 and June 30, 2025, respectively, for a total of $108.8 million. Based on historical experience, this supplier agreement could be modified from time to time.

Software and Business Technology Commitments. We have certain long-term contractual commitments related to software and business technology services and licenses. Future commitments as of December 31, 2024 were as follows:

	Software and Business Technology Commitments
	(in thousands)
2025	$ 11,320
2026	7,941
2027	6,434
2028	515
2029	515
2030 and thereafter	515
Total	$ 27,240

(15) Subsequent Events

Dealer Payment Terms. During the first quarter of 2025, we amended the payment terms with certain dealers which reduced our outstanding payables balance to them by $44.5 million.

EZOP Debt. In January 2025, we amended the EZOP revolving credit facility to, among other things, (a) add an event of default if we fail to complete one or more takeout transactions for 95% of the Eligible Solar Loans under and as defined by our EZOP revolving credit facility by March 2025, (b) provide temporary relief from a liquidity reserve step-up event determination made in January 2025 based on a solar loan delinquency test that would have required a reserve account deposit of approximately $7.1 million, which liquidity reserve step-up event was cured in January 2025, (c) require the cash flow waterfall and takeout proceeds to be applied to repay lender advances in full prior to distributions of cash to us, (d) require that by March 2025 we restructure our affiliates providing billing and collections services and operating and maintenance services or engage acceptable third-party back-up vendors, (e) require consent over new borrowings (except to complete any existing partially disbursed borrowings), any partial takeout transactions or certain collateral transfers and (f) remove an amortization event related to maintaining a commitment to (and levels of origination of) solar loans.

Solstice Debt. In March 2025, one of our subsidiaries entered into a loan facility with a commitment amount of $185.0 million and a maturity date of March 2028. The proceeds from this facility are, subject to customary conditions, available for paying fees incurred in connection with closing the facility and for general corporate purposes. Borrowings under the facility

bear interest at an annual rate of 15.00%.

SOLIX Debt. In February 2025, we pooled and transferred eligible solar energy systems and the related asset receivables into wholly-owned subsidiaries of SOLIX, a special purpose entity, that issued $282.3 million in aggregate principal amount of Series 2025-P1 Class A solar asset-backed notes and $13.5 million in aggregate principal amount of Series 2025-P1 Class B solar asset-backed notes (collectively, the "SOLIX Notes") with a maturity date of January 2060. The SOLIX Notes were issued at a discount of 4.59% and 3.46% for the Class A and Class B notes, respectively, and bear interest at an annual rate equal to 6.28% and 8.65% for the Class A and Class B notes, respectively.

Redeemable Noncontrolling Interests. In January 2025, we exercised our purchase option to purchase 100% of the Class A member's interest in TEPII for approximately $2.6 million. This purchase resulted in an increase in our equity in TEPII of $25.2 million. In February 2025, the Class A member of Sunnova TEP 8-F, LLC increased its capital commitment from $152.1 million to $176.8 million.

SCHEDULE I PARENT COMPANY CONDENSED FINANCIAL STATEMENTS

SUNNOVA ENERGY INTERNATIONAL INC.
CONDENSED BALANCE SHEETS
(in thousands, except share amounts and share par values)

	As of December 31,	
	2024	2023
Assets		
Current assets:		
Cash	$ 30	$ 75
Accounts receivable, including affiliates	4	7
Total current assets	34	82
Investments in subsidiaries	1,265,602	1,677,268
Total assets	$ 1,265,636	$ 1,677,350
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ —	$ 2
Other current liabilities	7,147	6,138
Total current liabilities	7,147	6,140
Long-term debt, net	1,160,547	1,155,078
Total liabilities	1,167,694	1,161,218
Stockholders' equity:		
Common stock, 125,067,917 and 122,466,515 shares issued as of December 31, 2024 and 2023, respectively, at $0.0001 par value	13	12
Additional paid-in capital—common stock	1,765,050	1,735,470
Accumulated deficit	(1,667,121)	(1,219,350)
Total stockholders' equity	97,942	516,132
Total liabilities and stockholders' equity	$ 1,265,636	$ 1,677,350

See accompanying notes to parent company condensed financial statements.

SCHEDULE I PARENT COMPANY CONDENSED FINANCIAL STATEMENTS

SUNNOVA ENERGY INTERNATIONAL INC.
CONDENSED STATEMENTS OF OPERATIONS
(in thousands)

	Year Ended December 31,		
	2024	2023	2022
Revenue	$ —	$ —	$ —
General and administrative expense	238	1,367	1,362
Other operating expense	—	24	—
Operating loss	(238)	(1,391)	(1,362)
Interest expense, net	22,652	22,536	10,835
Equity in losses of subsidiaries	424,883	478,494	118,079
Loss before income tax	(447,773)	(502,421)	(130,276)
Income tax expense	—	5	—
Net loss	$ (447,773)	$ (502,426)	$ (130,276)

See accompanying notes to parent company condensed financial statements.

SCHEDULE I PARENT COMPANY CONDENSED FINANCIAL STATEMENTS

SUNNOVA ENERGY INTERNATIONAL INC.
CONDENSED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by (used in) operating activities	$ (14,873)	$ (13,605)	$ 3,045
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments in subsidiaries	(4,727)	(88,645)	(560,700)
Distributions from subsidiaries	19,534	19,650	21,100
Other, net	—	90	—
Net cash provided by (used in) investing activities	14,807	(68,905)	(539,600)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term debt	—	—	585,000
Payments of deferred financing costs	—	(43)	(516)
Purchase of capped call transactions	—	—	(48,420)
Proceeds from issuance of common stock, net	21	82,563	38
Net cash provided by financing activities	21	82,520	536,102
Net increase (decrease) in cash	(45)	10	(453)
Cash at beginning of period	75	65	518
Cash at end of period	$ 30	$ 75	$ 65
Non-cash investing and financing activities:			
Non-cash issuance of common stock related to the settlement of contingent consideration	$ 3,902	$ 10,832	$ 16,014
Supplemental cash flow information:			
Cash paid for interest	$ 17,188	$ 17,013	$ 1,438
Cash paid for income taxes	$ —	$ —	$ —

See accompanying notes to parent company condensed financial statements.

SCHEDULE I NOTES TO PARENT COMPANY CONDENSED FINANCIAL STATEMENTS

(1) Basis of Presentation

On July 24, 2019, Sunnova Energy International Inc. ("SEI") priced 14,000,000 shares of its common stock at a public offering price of $12.00 per share and on July 25, 2019, SEI's common stock began trading on the New York Stock Exchange under the symbol "NOVA". Upon the closing of our initial public offering on July 29, 2019 (our "IPO"), Sunnova Energy Corporation was contributed to SEI and SEI became the holding company of Sunnova Energy Corporation through a reverse merger. In addition, the historical financial statements of Sunnova Energy Corporation became the historical financial statements of SEI. These condensed financial statements include the Condensed Balance Sheets, Condensed Statements of Operations and Condensed Statements of Cash Flows and have been prepared on a parent-only basis. These parent-only financial statements do not include all of the information and notes required by accounting principles generally accepted in the United States of America for annual financial statements and therefore, these parent-only financial statements and other information included should be read in conjunction with SEI's consolidated financial statements and related notes contained within this Annual Report on Form 10-K.

(2) Guarantees

See Note 7, Long-Term Debt.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Internal Control Over Financial Reporting

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer ("CEO") and our Chief Financial Officer ("CFO"), of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K, pursuant to Rules 13a-15(e) and 15d-15(e) under the Exchange Act. In connection with that evaluation, our CEO and our CFO concluded our disclosure controls and procedures were effective and designed to provide reasonable assurance the information required to be disclosed is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms as of December 31, 2024, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosures. The term "disclosure controls and procedures", as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure information required to be disclosed by a company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure information required to be disclosed by a company in the reports it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management recognizes any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the fourth quarter of 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives as specified above. However, our management, including our principal executive and principal financial officers, does not expect that our disclosure controls and procedures will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our company have been detected.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined by Rule 13a-15(f) under the Exchange Act). Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission to evaluate the effectiveness of our internal control over financial reporting. Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2024 and has concluded that such internal control over financial reporting is effective.

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in its report which is included in Item 8 of this Annual Report on Form 10-K.

Item 9B. Other Information.

During the three months ended December 31, 2024, the following officers adopted certain trading plans ("10b5-1 Plans") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act:

Name	Title	Date Adopted	Plan Start Date	Plan End Date
Michael Grasso	Executive Vice President, Chief Revenue Officer	December 12, 2024	March 14, 2025	May 5, 2025
Jackson Lynch	Executive Vice President and Chief Human Resources Officer	December 12, 2024	March 14, 2025	July 31, 2025
Paul Mathews	Executive Vice President, Chief Operating Officer	December 12, 2024	March 14, 2025	July 31, 2025

The 10b5-1 Plans authorize an agent to sell 100% of the net shares awarded to such officer as part of any long-term or short-term incentive or performance-based compensation after the payment of any taxes or other amounts owed in connection with the vesting of such award.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item 10 of Form 10-K will be set forth in our proxy statement to be filed with the SEC in connection with the solicitation of proxies for our 2024 Annual Meeting of Stockholders ("Proxy Statement") or an amendment to this Form 10-K and is incorporated herein by reference. The Proxy Statement will be filed with the SEC within 120 days after the year-end of the fiscal year that this report relates.

Item 11. Executive Compensation.

The information required by this Item 11 will be set forth in the Proxy Statement or an amendment to this Form 10-K and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item 12 will be set forth in the Proxy Statement or an amendment to this Form 10-K and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item 13 will be set forth in the Proxy Statement or an amendment to this Form 10-K and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

Our independent registered public accounting firm is PricewaterhouseCoopers LLP, Houston, TX, auditor firm ID: 238. The information required by this Item 14 will be set forth in the Proxy Statement or an amendment to this Form 10-K and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

Documents filed as part of this report are as follows:

(1) Consolidated Financial Statements

Our consolidated financial statements are listed in the "Index to Consolidated Financial Statements" under Item 8 of Part II of this Annual Report.

(2) Financial Statement Schedules

The required information is included elsewhere in the Annual Report, not applicable or not material.

(3) Exhibits

The exhibits listed in the accompanying "Exhibit Index" are filed or incorporated by reference as part of this Annual Report.

Exhibit Index

Exhibit No.	Description
2.1	Merger Agreement, dated as of July 29, 2019, by and among Sunnova Energy International Inc., Sunnova Energy Corporation and Sunnova Merger Sub Inc. (incorporated by reference to Exhibit 2.1 to Form 8-K filed on July 29, 2019).
2.2	Merger Agreement, by and among Sunnova Energy International Inc., Moonroad LLC, Sunnova Energy Corporation, SunStreet Energy Group, LLC and LEN X, LLC, dated as of February 17, 2021 (incorporated by reference to Exhibit 2.1 to Form 8-K filed on February 19, 2021).
3.1	Second Amended and Restated Certificate of Incorporation of Sunnova Energy International Inc. (incorporated by reference to Exhibit 3.3 to Form 8-K filed on July 29, 2019).
3.2	Third Amended and Restated Bylaws of Sunnova Energy International Inc. (incorporated by reference to Exhibit 3.2 to Form 10-Q filed on October 26, 2023).
4.1	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.1 from Form 10-K filed on February 25, 2021).
4.2	Stockholders Agreement, dated July 29, 2019, by and among Sunnova Energy International Inc. and certain holders of its capital stock (incorporated by reference to Exhibit 4.1 to Form 8-K filed on July 29, 2019).
4.3	Stockholders Agreement, by and among Sunnova Energy International Inc., Lennar Corporation and LEN X, LLC, dated as of April 1, 2021 (incorporated by reference to Exhibit 4.1 to Form 8-K filed on April 1, 2021).
4.4	Second Amended and Restated Registration Rights Agreement, dated July 29, 2019, by and among Sunnova Energy International Inc. and certain stockholders party thereto (incorporated by reference to Exhibit 4.2 to Form 8-K filed on July 29, 2019).
4.4.1	First Amendment to The Second Amended and Restated Registration Rights Agreement, among Sunnova Energy International Inc. and the parties listed therein, dated May 14, 2020 (incorporated by reference to Exhibit 4.2.1 to Form S-1 filed on June 29, 2020).
4.5	Registration Rights Agreement among Sunnova Energy International Inc. and the parties listed therein, dated May 14, 2020 (incorporated by reference to Exhibit 4.4 to form S-1 filed on June 29, 2020).
4.6∞	Indenture, among Sunnova Helios II Issuer, LLC and Wells Fargo Bank, National Association, dated November 8, 2018 (incorporated by reference to Exhibit 4.11 to Form S-1 filed on June 27, 2019).
4.7∞	Indenture, among Sunnova RAYS I Issuer, LLC and Wilmington Trust, National Association, dated March 28, 2019 (incorporated by reference to Exhibit 4.12 to Form S-1 filed on June 27, 2019).
4.7.1∞	Indenture Supplement No. 1, among Sunnova RAYS I Issuer, LLC and Wilmington Trust, National Association, dated March 28, 2019 (incorporated by reference to Exhibit 4.13 to Form S-1 filed on June 27, 2019).
4.7.2∞	Indenture Supplement No. 2, among Sunnova RAYS I Issuer, LLC and Wilmington Trust, National Association, dated June 7, 2019 (incorporated by reference to Exhibit 4.14 to Form S-1 filed on June 27, 2019).

Exhibit No.	Description
4.8∞	Indenture, among Sunnova Helios III Issuer, LLC and Wells Fargo Bank, National Association, dated June 27, 2019 (incorporated by reference to Exhibit 4.15 to Form S-1 filed on June 27, 2019).
4.9∞	Indenture, between Sunnova Sol Issuer, LLC and Wells Fargo Bank, National Association, as Indenture Trustee, dated February 12, 2020 (incorporated by reference to Exhibit 4.1 to Form 10-Q filed on May 15, 2020).
4.10∞	Indenture, between Sunnova Helios IV Issuer, LLC and Wells Fargo Bank, National Association, dated June 19, 2020 (incorporated by reference to Exhibit 4.12 to Form S-1 filed on June 29, 2020).
4.11∞	Indenture, between Sunnova Sol II Issuer, LLC and Wells Fargo Bank, National Association, as Indenture Trustee, dated November 30, 2020 (incorporated by reference to Exhibit 4.1 to Form 8-K filed on November 30, 2020).
4.12∞	Indenture, between Sunnova Helios V Issuer, LLC and Wells Fargo Bank, National Association, dated February 16, 2021 (incorporated by reference to Exhibit 4.13 to Form 10-K filed on February 25, 2021).
4.13	Indenture, dated May 20, 2021, between Sunnova Energy International Inc. and Wilmington Trust, National Association (incorporated by reference to Exhibit 4.1 to Form 8-K filed on May 21, 2021).
4.14∞	Indenture, between Sunnova Sol III Issuer, LLC and Wilmington Trust, National Association, dated June 17, 2021 (incorporated by reference to Exhibit 4.3 to Form 10-Q filed on July 29, 2021).
4.15	Indenture, dated July 27, 2021, among Sunnova Helios VI Issuer, LLC, and Wilmington Trust, National Association (incorporated by reference to Exhibit 4.1 to Form 10-Q filed on October 28, 2021).
4.16	Indenture, dated August 17, 2021, among Sunnova Energy Corporation, Sunnova Energy International Inc., Sunnova Intermediate Holdings, LLC and Wilmington Trust, National Association (incorporated by reference to Exhibit 4.1 to Form 8-K filed on August 17, 2021).
4.17	Indenture, dated October 26, 2021, between Sunnova Helios VII Issuer, LLC and Wilmington Trust National Association (incorporated by reference to Exhibit 4.16 to Form 10-K filed on February 24, 2022).
4.18∞	Indenture, dated February 24, 2022, among Sunnova Helios VIII Issuer, LLC and Wilmington Trust, National Association (incorporated by reference to Exhibit 4.1 to Form 10-Q filed on April 28, 2022).
4.19∞	Indenture, dated June 27, 2022, between Sunnova Sol IV Issuer, LLC and Wilmington Trust, National Association (incorporated by reference to Exhibit 4.1 to Form 10-Q filed on July 28, 2022).
4.20∞	Indenture, dated August 17, 2022, by and among Sunnova Helios IX Issuer, LLC and Wilmington Trust, National Association (incorporated by reference to Exhibit 4.1 to Form 10-Q filed on October 27, 2022).
4.21	Indenture, dated August 19, 2022, between Sunnova Energy International Inc. and Wilmington Trust, National Association (incorporated by reference to Exhibit 4.1 to Form 8-K filed on August 19, 2022).
4.22∞	Indenture, dated November 10, 2022, by and among Sunnova Helios X Issuer, LLC and Wilmington Trust, National Association (incorporated by reference to Exhibit 4.22 to Form 10-K filed on February 23, 2023).
4.23∞	Indenture, by and between Sunnova Sol V Issuer, LLC and Wilmington Trust, National Association, as indenture trustee, dated as of April 26, 2023 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on April 26, 2023).
4.24∞	Indenture, by and between Helios XI Issuer, LLC and Wilmington Trust, National Association, as indenture trustee, dated as of May 16, 2023 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on May 16, 2023).
4.25∞	Indenture, by and between Helios XII Issuer, LLC and Wilmington Trust, National Association, as indenture trustee, dated as of August 30, 2023 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 6, 2023).
4.26	Indenture, dated September 26, 2023, among Sunnova Energy Corporation, Sunnova Energy International Inc., Sunnova Intermediate Holdings, LLC and Wilmington Trust, National Association (incorporated by reference to Exhibit 4.1 to Form 8-K filed on September 26, 2023).
4.27∞	Indenture, by and between Sunnova SOL VI Issuer, LLC and Wilmington Trust, National Association, as indenture trustee, dated as of February 13, 2024 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on February 14, 2024).
4.28∞	Indenture, by and between Sunnova SOL VII Issuer, LLC and Wilmington Trust, National Association, as indenture trustee, dated as of August 7, 2024 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on August 9, 2024).

Exhibit No.	Description
4.29∞	Indenture, by and between Sunnova Aurora I Issuer, LLC and Wilmington Trust National Association, as indenture trustee, dated as of December 19, 2024 (incorporated by reference to Exhibit 10.2 to Form 8-K filed on December 23, 2024).
4.30∞	Indenture, by and between Sunnova SOL IX Issuer, LLC and Wilmington Trust, National Association, as indenture trustee, dated as of February 21, 2025 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on February 26, 2025).
4.31∞	Indenture, by and between Sunnova SOL VIII Issuer, LLC and Wilmington Trust, National Association, as indenture trustee, dated as of October 18, 2024 (incorporated by reference to Exhibit 4.4 to Form 10-Q filed on October 31, 2024).
4.32∞	Indenture, by and between Sunnova Hestia II Issuer, LLC and Wilmington Trust, National Association, as indenture trustee, dated as of June 5, 2024 (incorporated by reference to Exhibit 10.3 to Form 8-K filed on June 6, 2024).
4.33∞	Indenture, by and between Sunnova Helios XIV Issuer, LLC and Wilmington Trust, National Association, as indenture trustee, dated as of June 28, 2024 (incorporated by reference to Exhibit 4.4 to Form 10-Q filed on August 1, 2024).
10.1	Form of Capped Call Confirmation (incorporated by reference to Exhibit 10.2 to Form 8-K filed May 21, 2021).
10.2	Form of Additional Capped Call Confirmation (incorporated by reference to Exhibit 10.1 to Form 8-K filed May 24, 2021).
10.3	Form of Capped Call Confirmation (incorporated by reference to Exhibit 10.2 to Form 8-K filed on August 19, 2022).
10.4	Earnout Agreement, by and between LEN X, LLC and Sunnova Energy International Inc., dated as of February 17, 2021 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on February 19, 2021).
10.4.1	Amendment to Earnout Agreement, dated as of June 22, 2023, by and among Lenx, LLC, and Sunnova Energy International Inc. (incorporated by reference to Exhibit 10.2 to Form 10-Q filed on July 27, 2023).
10.5∞	Amended and Restated Credit Agreement, among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, Credit Suisse AG, New York Branch, Wells Fargo Bank, National Association, U.S. Bank National Association, the Funding Agents from time to time party thereto, and the Lenders from time to time party thereto, dated March 27, 2019 (incorporated by reference to Exhibit 10.6 to Form S-1 filed on June 27, 2019).
10.5.1	Amendment No. 1 to Amended and Restated Credit Agreement, among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, Credit Suisse AG, New York Branch, Wells Fargo Bank, National Association, U.S. Bank National Association, the Funding Agents from time to time party thereto, and the Lender from time to time party thereto, dated June 5, 2019 (incorporated by reference to Exhibit 10.3.1 to Form S-1 filed on June 29, 2020).
10.5.2	Amendment No. 2 to Amended and Restated Credit Agreement, among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, Credit Suisse AG, New York Branch, Wells Fargo Bank, National Association, U.S. Bank National Association, the Funding Agents from time to time party thereto, and the Lenders from time to time party thereto, dated September 30, 2019 (incorporated by reference to Exhibit 10.18 to Form 10-Q filed on October 31, 2019).
10.5.3	Amendment No. 3 to the Amended and Restated Credit Agreement, among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the Lenders party thereto, the Funding Agents party thereto and Credit Suisse AG, New York Branch, dated as of December 4, 2019 (incorporated by reference to Exhibit 10.4 to Form 10-K filed on February 25, 2020).
10.5.4	Amendment No. 4 to the Amended and Restated Credit Agreement, among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the Lenders party thereto, the Funding Agents party thereto and Credit Suisse AG, New York Branch, dated as of January 29, 2020 (incorporated by reference to Exhibit 10.6 to Form 10-Q filed on May 15, 2020).
10.5.5	Amendment No. 5 to the Amended and Restated Credit Agreement, among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the Lenders party thereto, the Funding Agents party thereto and Credit Suisse AG, New York Branch, dated as of March 31, 2020 (incorporated by reference to Exhibit 10.5 to Form 10-Q filed on May 15, 2020).

Exhibit No.	Description
10.5.6	Amendment No. 6 to Amended and Restated Credit Agreement, among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the Lenders party thereto, the Funding Agents party thereto and Credit Suisse AG, New York Branch, dated September 18, 2020 (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on October 29, 2020).
10.5.7∞	Amendment No. 7 to the Amended and Restated Credit Agreement, among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the Lenders party thereto, the Funding Agents party thereto and Credit Suisse AG, New York Branch, dated as of March 9, 2021 (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on April 29, 2021).
10.5.8∞	Amendment No. 8 to the Amended and Restated Credit Agreement, among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the Lenders party thereto, the Funding Agents party thereto and Credit Suisse AG, New York Branch, dated as of June 8, 2022 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on June 10, 2022).
10.5.9	Amendment No. 9 to the Amended and Restated Credit Agreement, among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the Lenders party thereto, the Funding Agents party thereto and Credit Suisse AG, New York Branch, dated as of July 22, 2022 (incorporated by reference to Exhibit 10.4 to Form 10-Q filed on July 28, 2022).
10.5.10∞	Amendment No. 10 to the Amended and Restated Credit Agreement and Omnibus Amendment No. 2 (SLA), among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the Lenders party thereto, the Funding Agents party thereto, Wells Fargo Bank, National Association and Credit Suisse AG, New York Branch, dated as of August 5, 2022 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on August 8, 2022).
10.5.11∞	Amendment No. 11 to the Amended and Restated Credit Agreement and Omnibus Amendment No. 3 (SLA), among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the Lenders party thereto, the Funding Agents party thereto, Wells Fargo Bank, National Association and Credit Suisse AG, New York Branch, dated as of September 28, 2022 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 30, 2022).
10.5.12∞	Amendment No. 12 to Amended and Restated Credit Agreement (SLA), among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the lenders and other financial institutions party thereto and Credit Suisse AG, New York Branch, as agent, dated as of February 24, 2023 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on March 1, 2023).
10.5.13∞	Amendment No. 13 to Amended and Restated Credit Agreement (SLA), among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the lenders and other financial institutions party thereto and Atlas Securitized Products Holdings, L.P., as agent, dated as of March 30, 2023 (incorporated by reference to Exhibit 10.2 to Form 8-K filed on March 31, 2023).
10.5.14∞	Second Amended and Restated Credit Agreement, among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the lenders and other financial institutions party thereto and Atlas Securitized Products Holdings, L.P., as administrative agent, dated as of August 2, 2023 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on August 7, 2023).
10.5.15∞	Amendment No. 1 to Second Amended and Restated Credit Agreement (SLA), among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the lenders and other financial institutions party thereto and Atlas Securitized Products Holdings, L.P., as administrative agent, dated as of October 6, 2023 (incorporated by reference to Exhibit 10.5.15 to Form 10-K filed on February 22, 2024).
10.5.16∞	Amendment No. 2 to Second Amended and Restated Credit Agreement (SLA), among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the lenders and other financial institutions party thereto and Atlas Securitized Products Holdings, L.P., as administrative agent, dated as of February 14, 2024 (incorporated by reference to Exhibit 10.2 to Form 8-K filed on February 14, 2024).
10.5.17∞	Amendment No. 3 to Second Amended and Restated Credit Agreement (SLA), by and among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the lenders and other financial institutions party thereto and Atlas Securitized Products Holdings, L.P., as administrative agent, dated as of March 28, 2024 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on April 3, 2024).

Exhibit No.	Description
10.5.18∞	Amendment No. 4 and Joinder to Second Amended and Restated Credit Agreement (SLA), among Sunnova EZ-Own Portfolio, LLC, as borrower, Sunnova SLA Management, LLC, as manager and servicer, Sunnova Asset Portfolio 7 Holdings, LLC, as seller and pledgor, the Lenders and Funding Agents from time to time party thereto and Atlas Securitized Products Holdings, L.P., as administrative agent, dated as of June 20, 2024 (incorporated by reference to Exhibit 10.4 to Form 10-Q filed on August 1, 2024).
10.5.19∞	Amendment No. 5 to Second Amended and Restated Credit Agreement (SLA), among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the Lenders party thereto, the Funding Agents party thereto and Atlas Securitized Products Holdings, L.P., as administrative agent, dated as of December 18, 2024 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on December 23, 2024).
10.5.20∞	Amendment No. 6 to Second Amended and Restated Credit Agreement (SLA), among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the Lenders party thereto, the Funding Agents party thereto and Atlas Securitized Products Holdings, L.P., as administrative agent, dated as of December 27, 2024 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on January 2, 2024).
10.5.21∞	Amendment No. 7 to Second Amended and Restated Credit Agreement (SLA), among Sunnova EZ-Own Portfolio, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 7 Holdings, LLC, the Lenders party thereto, the Funding Agents party thereto and Atlas Securitized Products Holdings, L.P., as administrative agent, dated as of January 20, 2025 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on January 24, 2025).
10.6∞	Credit Agreement among Sunnova TEP Inventory, LLC, Credit Suisse AG, New York Branch, the Funding Agents from time to time party thereto, and the Lenders from time to time party thereto, dated December 30, 2019 (incorporated by reference to Exhibit 10.35 to Form 10-K filed on February 25, 2020).
10.6.1	Consent and Amendment, by and among Sunnova TEP Inventory, LLC, Credit Suisse AG, New York Branch, the Funding Agents from time to time party thereto, and the Lenders from time to time party thereto, Sunnova Inventory Pledgor, LLC, and Sunnova TEP Developer, LLC, dated November 30, 2020 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on November 30, 2020).
10.6.2∞	First Amendment to Credit Agreement and Security Agreements, by and among Sunnova TEP Inventory, LLC, Credit Suisse AG, New York Branch, the Lenders and Funding Agents party thereto, Sunnova Energy Corporation, Sunnova Inventory Pledgor, LLC and Sunnova TEP Developer, LLC, dated September 18, 2020 (incorporated by reference to Exhibit 10.2 to Form 10-Q filed on October 29, 2020).
10.6.3∞	Second Amendment to Credit Agreement, by and among Sunnova TEP Inventory, LLC, Credit Suisse AG, New York Branch, the Lenders and Funding Agents party thereto, Sunnova Energy Corporation, Sunnova Inventory Pledgor, LLC, Sunnova TEP OpCo, LLC and Sunnova TEP Developer, LLC, dated March 29, 2021 (incorporated by reference to Exhibit 10.7 to Form 10-Q filed on April 29, 2021).
10.7∞	Credit Agreement, by and among Sunnova Asset Portfolio 8, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 8 Holdings, LLC, the Lenders party thereto, the Funding Agents party thereto and Banco Popular de Puerto Rico, dated September 30, 2020 (incorporated by reference to Exhibit 10.4 to Form 10-Q filed on October 29, 2020).
10.7.1	Amendment No. 1 to Credit Agreement, by and among Sunnova Asset Portfolio 8, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 8 Holdings, LLC, the Lenders party thereto, the Funding Agents party thereto and Banco Popular de Puerto Rico, dated October 13, 2021 (incorporated by reference to Exhibit 10.9.1 to Form 10-K filed on February 24, 2022).
10.7.2∞	Amendment No. 2 to Credit Agreement, by and among Sunnova Asset Portfolio 8, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 8 Holdings, LLC, Banco Popular de Puerto Rico, and U.S. Bank National Association, dated as of November 18, 2022 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on November 23, 2022).
10.7.3∞	Amendment No. 3 to Credit Agreement, by and among Sunnova Asset Portfolio 8, LLC, as Borrower, Sunnova SLA Management, LLC, as Manager and Servicer, Sunnova Asset Portfolio 8 Holdings, LLC, as Seller (Solar Loans) and Seller (Solar Assets), and Banco Popular de Puerto Rico, as Agent and Lender, dated as of March 24, 2023 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on March 27, 2023).
10.7.4∞	Amendment No. 4 to Credit Agreement, by and among Sunnova Asset Portfolio 8, LLC, as Borrower, Sunnova SLA Management, LLC, as Manager and Servicer, Sunnova Asset Portfolio 8 Holdings, LLC, as Seller (Solar Loans) and Seller (Solar Assets), Banco Popular de Puerto Rico, as Agent, and the lenders party thereto, dated as of June 8, 2023 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on June 12, 2023).

Exhibit No.	Description
10.7.5∞	Amendment No. 5 to Credit Agreement, by and among Sunnova Asset Portfolio 8, LLC, as Borrower, Sunnova SLA Management, LLC, as Manager and Servicer, Sunnova Asset Portfolio 8 Holdings, LLC, as Seller (Solar Loans) and Seller (Solar Assets), Banco Popular de Puerto Rico, as Agent, the lenders party thereto, the funding agents party thereto, and U.S. Bank National Association, as Custodian, dated as of August 16, 2023 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on August 21, 2023).
10.7.6∞	Amendment No. 6 to Credit Agreement, by and among Sunnova Asset Portfolio 8, LLC, as Borrower, Sunnova SLA Management, LLC, as Manager and Servicer, Sunnova Asset Portfolio 8 Holdings, LLC, as Seller (Solar Loans) and Seller (Solar Assets), Banco Popular de Puerto Rico, as Agent, the lenders party thereto, the funding agents party thereto, and U.S. Bank National Association, as Custodian, dated as of June 28, 2024 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on July 2, 2024).
10.8∞	Amended and Restated Credit Agreement, by and among Sunnova TEP Holdings, LLC, Sunnova TE Management, LLC, Credit Suisse AG, New York Branch, the Funding Agents from time to time party thereto, the Lenders from time to time party thereto, Wells Fargo Bank, National Association and U.S. Bank National Association, dated March 29, 2021 (incorporated by reference to Exhibit 10.5 to Form 10-Q filed on April 29, 2021).
10.8.1∞	First Amendment to Amended and Restated Credit Agreement, by and among Sunnova TEP Holdings, LLC, Sunnova TE Management, LLC, Credit Suisse AG, New York Branch, the Funding Agents from time to time party thereto, the Lenders from time to time party thereto, Wells Fargo Bank, National Association and U.S. Bank National Association, dated May 6, 2021 (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on July 29, 2021).
10.8.2	Second Amendment to Amended and Restated Credit Agreement, by and among Sunnova TEP Holdings, LLC, Sunnova TE Management, LLC, Credit Suisse AG, New York Branch, the Funding Agents from time to time party thereto, the Lenders from time to time party thereto, Wells Fargo Bank, National Association and U.S. Bank National Association, dated June 17, 2021 (incorporated by reference to Exhibit 10.6 to Form 10-Q filed on July 29, 2021).
10.8.3	Third Amendment to Amended and Restated Credit Agreement, by and among Sunnova TEP Holdings, LLC, Sunnova TE Management, LLC, Credit Suisse AG, New York Branch, the Funding Agents from time to time party thereto, the Lenders from time to time party thereto, Wells Fargo Bank, National Association and U.S. Bank National Association, dated September 15, 2021 (incorporated by reference to Exhibit 10.3 to Form 10-Q filed on October 28, 2021).
10.8.4∞	Fourth Amendment to Amended and Restated Credit Agreement, by and among Sunnova TEP Holdings, LLC, Sunnova TE Management, LLC, Credit Suisse AG, New York Branch, the Funding Agents from time to time party thereto, the Lenders from time to time party thereto, Wells Fargo Bank, National Association and U.S. Bank National Association, dated October 18, 2021 (incorporated by reference to Exhibit 10.11.4 to Form 10-K filed on February 24, 2022).
10.8.5∞	Omnibus Amendment to Amended and Restated Credit Agreement, by and among Sunnova TEP Holdings, LLC, Sunnova TE Management, LLC, Credit Suisse AG, New York Branch, the Funding Agents from time to time party thereto, the Lenders from time to time party thereto, Wells Fargo Bank, National Association and U.S. Bank National Association, dated October 29, 2021 (incorporated by reference to Exhibit 10.11.5 to Form 10-K filed on February 24, 2022).
10.8.6∞	Sixth Amendment to Amended and Restated Credit Agreement, by and among Sunnova TEP Holdings, LLC, Sunnova TE Management, LLC, Credit Suisse AG, New York Branch, the Funding Agents from time to time party thereto, the Lenders from time to time party thereto, Wells Fargo Bank, National Association and U.S. Bank National Association, dated April 12, 2022 (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on July 28, 2022).
10.8.7∞	Seventh Amendment to Amended and Restated Credit Agreement, among Sunnova TEP Holdings, LLC, Sunnova TE Management, LLC, Credit Suisse AG, New York Branch, as administrative agent, the lenders and other financial institutions party thereto, dated as of September 6, 2022 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 8, 2022).
10.8.8∞	Eighth Amendment to Amended and Restated Credit Agreement, among Sunnova TEP Holdings, LLC, Sunnova TE Management, LLC, Credit Suisse AG, New York Branch, as administrative agent, and the lenders and other financial institutions party thereto, dated as of October 7, 2022 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on October 12, 2022).

Exhibit No.	Description
10.8.9∞	Ninth Amendment to Amended and Restated Credit Agreement, among Sunnova TEP Holdings, LLC, Sunnova TE Management, LLC, Atlas Securitized Products Holdings, L.P., as administrative agent, and the lenders and other financial institutions party thereto, dated as of March 29, 2023 (incorporated by reference to Exhibit 10.1 to Form 8-K filed March 31, 2023).
10.8.10∞	Tenth Amendment to Amended and Restated Credit Agreement, among Sunnova TEP Holdings, LLC, Sunnova TE Management, LLC, Atlas Securitized Products Holdings, L.P., as administrative agent, and the lenders and other financial institutions party thereto, dated as of August 31, 2023 (incorporated by reference to Exhibit 10.2 to Form 8-K filed on September 6, 2023).
10.8.11∞	Second Amended and Restated Credit Agreement, among Sunnova TEP Holdings, LLC, Sunnova TE Management, LLC, Atlas Securitized Products Holdings, L.P., as administrative agent, and the lenders and other financial institutions party thereto, dated as of November 3, 2023 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on November 8, 2023).
10.8.12∞	First Amendment to Second Amended and Restated Credit Agreement, among Sunnova TEP Holdings, LLC, Sunnova TE Management, LLC, Atlas Securitized Products Holdings, L.P., as administrative agent, and the lenders and other financial institutions party thereto, dated as of February 14, 2024 (incorporated by reference to Exhibit 10.3 to Form 10-K filed on February 14, 2024).
10.8.13∞	Second Amendment to Second Amended and Restated Credit Agreement, among Sunnova TEP Holdings, LLC, as borrower, Sunnova TE Management, LLC, as facility administrator, the lenders and funding agents party thereto and Atlas Securitized Products Holdings, L.P., as administrative agent, dated as of August 20, 2024 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on August 22, 2024).
10.8.14∞	Third Amendment to Second Amended and Restated Credit Agreement, among Sunnova TEP Holdings, LLC, as borrower, Sunnova TE Management, LLC, as facility administrator, the lenders and funding agents party thereto and Atlas Securitized Products Administration, L.P., as administrative agent, dated as of October 28, 2024 (incorporated by reference to Exhibit 10.3 to Form 10-Q filed on October 31, 2024).
10.9	Office Building Lease Agreement, between Sunnova Energy Corporation and 20 Greenway Plaza LLC, dated August 29, 2014, for 42,238 square feet of office space known as Suites 350, 475, and 750 of the building located at 20 East Greenway Plaza, Houston, Texas 77046 (incorporated by reference to Exhibit 10.11 to Form S-1 filed on June 27, 2019).
10.9.1	Amendment No. 1 to Office Building Lease Agreement, between Sunnova Energy Corporation and 20 Greenway Plaza LLC, dated as dated May 18, 2015 (incorporated by reference to Exhibit 10.12 to Form S-1 filed on June 27, 2019).
10.9.2	Amendment No. 2 to Office Building Lease Agreement, between Sunnova Energy Corporation and 20 Greenway Plaza LLC, dated June 1, 2015 (incorporated by reference to Exhibit 10.13 to Form S-1 filed on June 27, 2019).
10.9.3	Amendment No. 3 to Office Building Lease Agreement, between Sunnova Energy Corporation and 20 Greenway Plaza LLC, dated November 15, 2018 (incorporated by reference to Exhibit 10.14 to Form S-1 filed on June 27, 2019).
10.9.4	Amendment No. 4 to Office Building Lease Agreement, between Sunnova Energy Corporation and 20 Greenway Plaza LLC, dated May 7, 2019 (incorporated by reference to Exhibit 10.15 to Form S-1 filed on June 27, 2019).
10.9.5	Amendment No. 5 to Office Building Lease Agreement by and between Sunnova Energy Corporation and SCP 20 Greenway, LLC dated September 12, 2019 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 13, 2019).
10.10+	Amended and Restated 2013 Stock Option Plan, dated July 29, 2019 (incorporated by reference to Exhibit 10.17 to Form 8-K filed on July 29, 2019).
10.11+	Amended and Restated Stock Option Plan, dated July 29, 2019 (incorporated by reference to Exhibit 10.18 to Form 8-K filed on July 29, 2019).
10.12+	Sunnova Energy International Inc. 2019 Long-Term Incentive Plan and Form of Award Letters (incorporated by reference to Exhibit 10.16 to Form 8-K filed on July 29, 2019).
10.13.1+	2023 Form of Restricted Stock Unit Award Letter for Executive Officers (incorporated by reference to Exhibit 10.13 to Form 10-K filed on February 22, 2024).
10.14+	Form of Option Award Letter (incorporated by reference to Exhibit 10.22 to Form S-1 filed on June 27, 2019).

Exhibit No.	Description
10.15+	2023 Form of Standard Option Award Letter (incorporated by reference to Exhibit 10.15 to Form 10-K filed on February 22, 2024).
10.16+	2023 Form of Premium Option Award Letter (Exercise Price 120% of Closing Price) (incorporated by reference to Exhibit 10.16 to Form 10-K filed on February 22, 2024).
10.17+	2023 Form of Premium Option Award Letter (Exercise Price 110% of Closing Price) (incorporated by reference to Exhibit 10.17 to Form 10-K filed on February 22, 2024).
10.18+	Form of Restricted Stock Unit Award Letter for Non-Employee Director (incorporated by reference to Exhibit 10.23 to Form S-1 filed on June 27, 2019).
10.19+	Form of Executive Severance Agreements (incorporated by reference to Exhibit 10.26 to Form S-1/A filed on July 17, 2019).
10.20+	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.27 to Form S-1/A filed on July 3, 2019).
10.21	Board Designation Agreement, by and among Sunnova Energy International, Inc., Kayne Multiple Strategy Fund, L.P., Kayne Solutions Fund, L.P., San Bernardino County Employees' Retirement Association and TFGI Holdings, LLC, dated May 14, 2020 (incorporated by reference to Exhibit 10.7 to Form S-1 filed on June 29, 2020).
10.22∞	Note Purchase Agreement, dated November 3, 2022, among Sunnova Helios X Issuer, LLC, Sunnova Energy Corporation, Sunnova Helios X Depositor, LLC and Credit Suisse Securities (USA) LLC (incorporated by reference to Exhibit 10.19 to Form 10-K filed on February 23, 2023).
10.23	Sunnova Energy International Inc. Retirement Policy for Equity Awards, adopted March 15, 2023 (incorporated by reference to Exhibit 10.3 to Form 10-Q filed on April 27, 2023).
10.24	Retirement and Transition Agreement, dated March 15, 2023, by and among Walter A. Baker and Sunnova Energy International Inc. (incorporated by reference to Exhibit 10.4 to Form 10-Q filed on April 27, 2023).
10.25∞	Credit Agreement, by and among Sunnova Inventory Supply, LLC, the Guarantors party thereto, the lenders and other financial institutions party thereto, and Texas Capital Bank, as administrative agent, dated as of March 10, 2023 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on March 16, 2023).
10.25.1∞	First Amendment to Credit Agreement by and among Sunnova Inventory Supply, LLC, each of the subsidiaries of Sunnova Inventory Supply, LLC from time to time party thereto, the lenders from time to time party thereto, and Texas Capital Bank, as lender, agent and letter of credit issuer, dated April 29, 2024 (incorporated by reference to Exhibit 10.5 to Form 10-Q filed on May 2, 2024).
10.25.2∞	Second Amendment to Credit Agreement by and among Sunnova Inventory Supply, LLC, each of the subsidiaries of Sunnova Inventory Supply, LLC from time to time party thereto, the lenders from time to time party thereto, and Texas Capital Bank, as lender, agent and letter of credit issuer, dated as of December 30, 2024.
10.26∞	Resignation and Appointment of Agent Agreement and Assignment of Financing Documents, dated as of March 27, 2023, by and among Credit Suisse AG, New York Branch, as agent, Atlas Securitized Products Holdings, L.P., as successor agent, Sunnova EZ-Own Portfolio, LLC, as borrower, Sunnova SLA Management, LLC, as manager and servicer, Sunnova Asset Portfolio 7 Holdings, LLC, as seller and pledgor, and the lenders party thereto (incorporated by reference to Exhibit 10.6 to Form 10-Q filed on April 27, 2023).
10.27∞	Resignation and Appointment of Agent Agreement and Assignment of Financing Documents, dated as of March 27, 2023, by and among Credit Suisse AG, New York Branch, as administrative agent, Atlas Securitized Products Holdings, L.P., as successor agent, Sunnova TEP Holdings, LLC, as borrower, Sunnova TE Management, LLC, as facility administrator, and the lenders and other financial institutions party thereto (incorporated by reference to Exhibit 10.7 to Form 10-Q filed on April 27, 2023).
10.28∞	Assignment and Assumption Agreement, by and among Sunnova EZ-Own Portfolio, LLC, as borrower, Credit Suisse AG, Cayman Islands Branch, as assignor, Atlas Securitized Products Funding 1, L.P., as assignee, and Credit Suisse AG, New York Branch, as agent, dated as of March 27, 2023 (incorporated by reference to Exhibit 10.10 to Form 10-Q filed on April 27, 2023).
10.29∞	Assignment Agreement, by and among Sunnova TEP Holdings, LLC, as borrower, Credit Suisse AG, Cayman Islands Branch, as assignor, Atlas Securitized Products Funding 1, L.P., as assignee, and Credit Suisse AG, New York Branch, as administrative agent, dated as of March 27, 2023 (incorporated by reference to Exhibit 10.11 to Form 10-Q filed on April 27, 2023).

Exhibit No.	Description
10.30∞	Credit Agreement, by and among Sunnova Asset Portfolio 9, LLC, Sunnova SLA Management, LLC, Sunnova Asset Portfolio 9 Holdings, LLC, the lenders and other financial institutions party thereto and Citibank, N.A., as administrative agent, dated as of September 5, 2023 (incorporated by reference to Exhibit 10.3 to Form 8-K filed on September 6, 2023).
10.31∞	Loan Guarantee Agreement, dated as of September 27, 2023, by and among Sunnova Energy Corporation, as sponsor, Sunnova ABS Management, LLC, as servicer and manager, and the United States Department of Energy, as guarantor (incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 28, 2023).
10.32∞	Master Revolving Loan Agreement, by and among Sunnova Business Markets Borrower, LLC, as borrower, each subsidiary of Sunnova Business Markets Borrower, LLC from time to time party thereto, each lender from time to time party thereto and Mitsubishi HC Capital America, Inc., as administrative agent, dated as of December 27, 2023 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on January 3, 2024).
10.33∞	Loan and Security Agreement, by and among Sunnova Hestia II Lender, LLC, Sunnova Hestia II Borrower, LLC, the United States Department of Energy, as guarantor, and Wilmington Trust, National Association, as agent, dated as of June 5, 2024 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on June 6, 2024).
10.34∞	Guarantee Issuance Agreement, by and among Sunnova Hestia II Lender, LLC, Sunnova Hestia II Borrower, LLC, Sunnova ABS Management, LLC, as servicer and manager, Sunnova Energy Corporation, as sponsor, the United States Department of Energy, as guarantor, and Wilmington Trust, National Association, as agent, dated as of June 5, 2024 (incorporated by reference to Exhibit 10.2 to Form 8-K filed on June 6, 2024).
10.35∞	Term Loan Agreement, by and between Sunnova Solstice Borrower, LLC, the Lenders party thereto and Wilmington Trust National Association, as Agent, dated as of March 2, 2025 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on March 3, 2025).
19	Sunnova Energy International Inc. Insider Trading Policy (incorporated by reference to Exhibit 19 to Form 10-K filed on February 22, 2024).
21.1	List of Subsidiaries of the Registrant.
23.1	Consent of Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1	Sunnova Energy International Inc. Policy for the Recovery of Erroneously Awarded Compensation (incorporated by reference to Exhibit 97.1 to Form 10-K filed on February 22, 2024).
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its tags are embedded within the inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Linkbase Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the inline XBRL document).

∞ Portions of this exhibit have been omitted in accordance with Items 601(a)(5) and 601(b)(10) of Regulation S-K. We agree to furnish a copy of any omitted schedule or exhibit to the SEC upon request.
+ Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SUNNOVA ENERGY INTERNATIONAL INC.

Date: March 3, 2025

By: /s/ William J. Berger
William J. Berger
Chief Executive Officer and Director
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ William J. Berger William J. Berger	Chief Executive Officer and Director *(Principal Executive Officer)*	March 3, 2025
/s/ Eric M. Williams Eric M. Williams	Chief Financial Officer *(Principal Financial and Accounting Officer)*	March 3, 2025
/s/ Anne Slaughter Andrew Anne Slaughter Andrew	Director	March 3, 2025
/s/ Akbar Mohamed Akbar Mohamed	Director	March 3, 2025
/s/ Corbin J. Robertson III Corbin J. Robertson III	Director	March 3, 2025
/s/ C. Park Shaper C. Park Shaper	Director	March 3, 2025
/s/ Jeremy D. Thigpen Jeremy D. Thigpen	Director	March 3, 2025
/s/ Mary Yang Mary Yang	Director	March 3, 2025

SECOND AMENDMENT TO CREDIT AGREEMENT

This SECOND AMENDMENT TO CREDIT AGREEMENT (this "***Amendment***") is made and entered into on December 30, 2024 (the "***Amendment Effective Date***"), by and among SUNNOVA INVENTORY SUPPLY, LLC, a Delaware limited liability company (the "***Borrower***"), the Lenders (as defined below) party hereto, and TEXAS CAPITAL BANK, as Administrative Agent and L/C Issuer (the "***Administrative Agent***").

RECITALS:

WHEREAS, the Borrower is party to that certain Credit Agreement dated as of March 10, 2023 (as amended by that certain First Amendment to Credit Agreement, dated as of April 29, 2024, and as otherwise further amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the "***Credit Agreement***"), by and among the Borrower, the Guarantors from time to time party thereto, the lenders from time to time party thereto (collectively, the "***Lenders***" and each, individually, a "***Lender***"), and TEXAS CAPITAL BANK, as Administrative Agent and L/C Issuer. Capitalized terms used but not defined herein have the meaning set forth in the Credit Agreement, as amended by this Amendment (the "***Amended Credit Agreement***").

WHEREAS, the Borrower, the Lenders and Administrative Agent desire to amend the Credit Agreement as provided herein upon the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. **Amendments to the Credit Agreement**. In reliance upon the representations, warranties, covenants and conditions contained in this Amendment, and subject to the terms, and satisfaction of the conditions precedent set forth in Section 2 hereof, the Credit Agreement (other than the signature pages, Annexes, Exhibits and Schedules thereto) is hereby amended (a) to delete the red or green stricken text (indicated textually in the same manner as the following examples: ~~stricken text~~ and ~~stricken text~~) and (b) to add the blue or green double-underlined text (indicated textually in the same manner as the following examples: double-underlined text and double-underlined text), in each case, as set forth in the marked copy of the Credit Agreement attached as Annex A hereto.

SECTION 2. **Conditions Precedent to Amendment**. This Amendment will be effective as of the Amendment Effective Date on the condition that the following conditions precedent will have been satisfied (or waived in accordance with Section 11.10 of the Credit Agreement):

2.1 Counterparts. The Administrative Agent shall have received counterparts of this Amendment duly executed by the Borrower, the Administrative Agent and each Lender.

2.2 Expenses. The Administrative Agent shall have received payment or reimbursement of all reasonable and documented out-of-pocket expenses in connection with this Amendment and any other reasonable and documented out-of-pocket expenses of the Administrative Agent required to be paid or reimbursed pursuant to the Credit Agreement, including the reasonable and documented out-of-pocket fees, charges and disbursements of counsel for the Administrative Agent.

SECTION 3. **Representations and Warranties**. The Borrower hereby represents and warrants to the Lenders the following:

3.1 Representations and Warranties. Immediately after giving effect to this Amendment, the representations and warranties of the Borrower contained in Article 5 of the Amended Credit Agreement and the other Loan Documents are true and correct in all material respects (without duplication of any materiality qualification applicable thereto) on and as of the date hereof as though made on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date, and except for any change of facts expressly permitted under the provisions of the Amended Credit Agreement and the other Loan Documents.

3.2 No Default. Immediately before and after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing as of the date hereof.

3.3 Enforceability. This Amendment has been duly executed and delivered by the Borrower, and the Amended Credit Agreement constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

3.4 No Defense. The Borrower hereby acknowledges that: (a) it has no defenses, claims or set-offs to the enforcement by the Administrative Agent and Lenders of the Borrower's liabilities, obligations and agreements on the date hereof; (b) to its knowledge, the Administrative Agent and the Lenders have fully performed all undertakings and obligations owed to it as of the date hereof; and (c) the Administrative Agent and the Lenders do not waive, diminish or limit any term or condition contained in the Amended Credit Agreement or any of the other Loan Documents.

SECTION 4. **Survival of Representations and Warranties**. All representations and warranties made in this Amendment, including any Loan Document furnished in connection with this Amendment, shall survive the execution and delivery of this Amendment and the other Loan Documents, and no investigation by the Administrative Agent or any closing shall affect the representations and warranties or the right of the Administrative Agent or any Lender to rely upon them.

SECTION 5. **Expenses**. As provided in Section 11.1 of the Amended Credit Agreement, and subject to the limitations expressly set forth therein, the Borrower hereby agrees to pay all reasonable and documented out-of-pocket legal and other fees, costs and expenses incurred by the Administrative Agent in connection with the negotiation, preparation, and execution of this Amendment and the other Loan Documents.

SECTION 6. **No Implied Waivers**. No failure or delay on the part of the Administrative Agent or any Lender in exercising, and no course of dealing with respect to, any right, power or privilege under this Amendment, the Credit Agreement or any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Amendment, the Credit Agreement or any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

SECTION 7. **Ratification and Affirmation of Borrower**. Borrower hereby expressly (a) acknowledges the terms of this Amendment, (b) ratifies and affirms its obligations under the Loan Documents to which it is a party, and (c) acknowledges, renews and extends its continued liability under the Loan Documents to which it is a party. Any and all of the terms and

provisions of the Credit Agreement and the other Loan Documents shall, except as amended hereby, remain in full force and effect. The Borrower hereby agrees that the amendments and waivers herein contained shall in no manner affect or impair the Obligations or the Liens securing payment and performance thereof, all of which are ratified and confirmed.

SECTION 8. **Severability**. Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 9. **APPLICABLE LAW**. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 10. **WAIVER OF JURY TRIAL**. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE OR OTHER AGENT (INCLUDING ANY ATTORNEY) OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 11. **Successors and Assigns**. This Amendment is binding upon and shall inure to the benefit of the Administrative Agent, the Lenders and the Borrower and their respective successors and permitted assigns, except the Borrower may not assign or transfer any of their rights or obligations hereunder without the prior written consent of the Administrative Agent, other than as expressly permitted under the terms of the Amended Credit Agreement.

SECTION 12. **Counterparts**. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original but all of which when taken together shall constitute but one and the same instrument. Delivery of an executed signature page of this Amendment by facsimile transmission or PDF electronic transmission shall be effective as delivery of a manually executed counterpart hereof. The execution and delivery of this Amendment shall be deemed to include electronic signatures on electronic platforms approved by the Administrative Agent, which shall be of the same legal effect, validity or enforceability as delivery of a manually executed signature, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that, upon the request of any party hereto, such electronic signature shall be promptly followed by the original thereof.

SECTION 13. **Effect of Consent**. No consent or waiver, express or implied, by the Administrative Agent to or for any breach of or deviation from any covenant, condition or duty by the Borrower shall be deemed a consent or waiver to or of any other breach of the same or any other covenant, condition or duty.

SECTION 14. **Headings**. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

SECTION 15. **Reaffirmation of Loan Documents**. This Amendment shall be deemed to be an amendment to the Credit Agreement, and the Amended Credit Agreement and the other Loan Documents are hereby ratified, approved and confirmed in each and every respect. All references to the Credit Agreement and the other Loan Documents herein and in any other document, instrument, agreement or writing shall hereafter be deemed to refer to the Amended Credit Agreement and the other Loan Documents.

SECTION 16. **Loan Document**. This Amendment constitutes a "Loan Document" under and as defined in the Amended Credit Agreement. The provisions of the Credit Agreement (as amended by this Amendment) shall remain in full force and effect in accordance with its terms following the effectiveness of this Amendment, and this Amendment shall not constitute a waiver of any provision of the Amended Credit Agreement or any other Loan Document. Each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein", or words of like import shall mean and be a reference to the Amended Credit Agreement, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Amended Credit Agreement.

SECTION 17. **Entire Agreement**. THE CREDIT AGREEMENT, THIS AMENDMENT, THE OTHER LOAN DOCUMENTS, AND ALL OTHER INSTRUMENTS, DOCUMENTS AND AGREEMENTS EXECUTED AND DELIVERED IN CONNECTION WITH THIS AMENDMENT REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date set forth above.

BORROWER:

SUNNOVA INVENTORY SUPPLY, LLC,
a Delaware limited liability company

By: /s/ Colin Grover

Name: Colin Grover
Title: Vice President, Treasurer

[***] = Certain information has been excluded from this exhibit because it is both not material and would likely cause harm to the company if publicly disclosed.

ADMINISTRATIVE AGENT, L/C ISSUER AND LENDER:

TEXAS CAPITAL BANK

By: /s/ Stefanie Unruh

Name: Stefanie Unruh
Title: Director, ACO

[***] = Certain information has been excluded from this exhibit because it is both not material and would likely cause harm to the company if publicly disclosed.

ANNEX A

Amended Credit Agreement

[Attached]

[***] = Certain information has been excluded from this exhibit because it is both not material and would likely cause harm to the company if publicly disclosed.

Conformed through ~~First~~Second Amendment to Credit Agreement
Dated ~~April 29~~December 30, 2024

CREDIT AGREEMENT

among

SUNNOVA INVENTORY SUPPLY, LLC,
as Borrower,

THE GUARANTORS FROM TIME TO TIME PARTY HERETO,

THE LENDERS FROM TIME TO TIME PARTY HERETO,

and

TEXAS CAPITAL BANK,
as Administrative Agent and L/C Issuer

TCBI SECURITIES, INC.,
as Sole Lead Arranger and Sole Book Runner

DATED AS OF MARCH 10, 2023

[***] = Certain information has been excluded from this exhibit because it is both not material and would likely cause harm to the company if publicly disclosed.

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CREDIT AGREEMENT

THIS CREDIT AGREEMENT (as the same may be amended, restated, supplemented or otherwise modified from time to time, this "***Agreement***"), dated as of March 10, 2023, is among SUNNOVA INVENTORY SUPPLY, LLC, a Delaware limited liability company ("***Borrower***"), each of the Guarantors from time to time party hereto, the lenders from time to time party hereto (collectively, the "***Lenders***" and each, individually, a "***Lender***"), and TEXAS CAPITAL BANK, a Texas state bank, as Administrative Agent and L/C Issuer.

RECITALS

Borrower has requested that the Lenders extend credit to Borrower as described in this Agreement. The Lenders are willing to make such credit available to Borrower upon and subject to the provisions, terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE 1.

DEFINITIONS

Section 1.1 **Definitions**. As used in this Agreement, all exhibits, appendices and schedules hereto and in any note, certificate, report or other Loan Document made or delivered pursuant to this Agreement, the following terms will have the meanings given such terms in this Article 1 or in the provision, section or recital referred to below:

"***Account***" means an account, as defined in the UCC. For purposes of the definition of "Eligible Accounts" and determining the Borrowing Base, unless otherwise specified, each reference to an Account shall refer to a specific invoice.

"***Account Agings***" has the meaning set forth in ***Section 6.1(h)***.

"***Account Control Agreement***" means a control agreement, in form and substance reasonably satisfactory to Administrative Agent, which grants Administrative Agent "control" (within the meaning of Section 8.106 or Section 9.104 of the UCC, as applicable, in the applicable jurisdiction) over any Deposit Account, Securities Account or Commodity Account maintained by any Loan Party, in each case, among Administrative Agent, the applicable Loan Party and the applicable financial institution at which such Deposit Account, Securities Account or Commodity Account is maintained.

"***Account Debtor***" means any Person who is obligated on an Account.

"***Acquisition***" means the acquisition by any Person of (a) a majority of the Equity Interests of another Person, (b) all or substantially all of the assets of another Person or (c) all or substantially all of a business unit or line of business of another Person, in each case (i) whether or not involving a merger or consolidation with such other Person and (ii) whether in one (1) transaction or a series of related transactions.

"***Additional Guarantor***" has the meaning set forth in ***Section 12.12***.

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"***Adjusted Term SOFR***" means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

"***Administrative Agent***" means Texas Capital Bank, in its capacity as administrative agent under any of the Loan Documents, until the appointment of a successor administrative agent pursuant to the terms of this Agreement and, thereafter, shall mean such successor administrative agent.

"***Administrative Questionnaire***" means an administrative questionnaire in a form supplied by Administrative Agent.

"***Affected Financial Institution***" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"***Affiliate***" means, with respect to any Person, any other Person that (i) directly or indirectly controls, is controlled by, or is under direct or indirect common control with such Person, or, (ii) is an officer or director of such Person, and in the case of any Lender that is an investment fund, the investment advisor thereof and any investment fund having the same investment advisor. A Person shall be deemed to be "controlled by" another Person if such other Person possesses, directly or indirectly, power to (a) vote 25% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing partners of such other Person, or (b) direct or cause the direction of the management and policies of such other Person whether by contract or otherwise.

"***Affiliated Debt***" has the meaning set forth in ***Section 12.5***.

"***Affiliated Entity***" means any of the Ultimate Parent, the Parent, the Manager, any other party that is not a Loan Party party to the Master Intercompany Purchase Agreement, and any of their respective direct or indirect Subsidiaries and/or Affiliates, whether now existing or hereafter created, organized or acquired.

"***Agent Parties***" means, collectively, Administrative Agent and its Related Parties.

"***Agreement***" has the meaning set forth in the introductory paragraph hereto, and includes all schedules, exhibits and appendices attached or otherwise identified therewith.

"***Anti-Corruption Laws***" means all state or federal Laws, rules, and regulations of any jurisdiction applicable to the Loan Parties or any of their Affiliates from time to time concerning or relating to bribery or corruption, including the FCPA and the Bank Secrecy Act, and other similar anti-corruption legislation in other jurisdictions.

"***Anti-Terrorism Laws***" has the meaning set forth in ***Section 5.21***.

"***Applicable Margin***" means (a) in the case of a Term SOFR Loan, a rate per annum equal to 3.25% and (b) in the case of a Base Rate Loan, a rate per annum equal to 2.25%.

"***Applicable Percentage***" means, with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of such Lender's Commitment at such time divided by the aggregate Commitments of all Lenders; *provided* that if the Commitments have been terminated pursuant to the terms hereof, then the Applicable Percentage of each Lender shall be determined based upon the Applicable Percentage of such Lender immediately prior to such

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termination and after giving effect to any subsequent assignments made pursuant to the terms hereof.

"***Applicable Rate***" means (a) in the case of a Base Rate Loan, the Base Rate *plus* the Applicable Margin; and (b) in the case of a Term SOFR Loan, the Adjusted Term SOFR *plus* the Applicable Margin.

"***Appraisal***" means an appraisal of the Inventory of the Borrower by an appraiser reasonably satisfactory to the Administrative Agent which, among other things, appraises the value of such Inventory on a "net orderly liquidation value" basis.

"***Approved Fund***" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"***Arranger***" means TCBI Securities, Inc., in its capacity as sole lead arranger and sole book runner.

"***Assignment and Assumption***" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by ***Section 11.8***), and accepted by Administrative Agent, in substantially the form of ***Exhibit A***, with such changes as reasonably approved by Administrative Agent.

"***Authorized Party***" has the meaning set forth in ***Section 11.11(d)(iii)***.

"***Auto-Extension Letter of Credit***" means a Letter of Credit that has automatic extension provisions.

"***Availability***" means, as of any date, the difference between (a) the Line Cap in effect on such date less (b) the total Revolving Credit Exposure of the Lenders on such date.

"***Availability Reserves***" means, as of any date of determination, such amounts as Administrative Agent may from time to time establish and revise in its Permitted Discretion: (a) to reflect events, conditions, contingencies or risks which, as determined by Administrative Agent, do or may affect either (i) the Collateral or any other Property which is security for the Obligations or (ii) the security interests and other rights of any Secured Party in the Collateral (including the enforceability, perfection and priority thereof), (b) to reflect Administrative Agent's good faith belief that any Collateral may have been improperly valued in any material respect or improperly included in the most recent Borrowing Base Certificate and accompanying Borrowing Base Deliverables, ~~and~~ (c) in respect of outstanding Letters of Credit and L/C Obligations at such time and (d) in respect of Bank Products, Rent Reserves and Hedge Agreements secured by the Collateral. Notwithstanding anything to the contrary in this Agreement, following the Closing Date, (i) unless an Event of Default is continuing, such Availability Reserves shall not be established or increased except upon not less than three (3) Business Days' prior written notice to the Borrower, which notice shall include a reasonably detailed description of such applicable Availability Reserve being established or increased (during which period (x) the Administrative Agent shall, if requested, discuss any such Availability Reserve or change with the Borrower and (y) the Borrower may take such action as may be required so that the event, condition or matter that is the basis for such Availability Reserve or change thereto no longer exists or exists in a manner that would result in the establishment of a lower Availability Reserve or result in a lesser change thereto, in a manner and to the extent reasonably satisfactory to the Administrative Agent); *provided that*, during such three (3) Business Day period, the Borrower may not borrow in excess of the Borrowing Base after giving effect to such new or modified Availability Reserves. Notwithstanding anything to

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the contrary herein, (1) the amount of any such Availability Reserve shall have a reasonable relationship to the event, condition or other matter that is the basis for such Availability Reserve, (2) no Availability Reserves shall be duplicative of reserves already accounted for through eligibility criteria, and (3) no notice shall be required for changes in the amount of existing Availability Reserves resulting solely from mathematical calculations.

"***Available Tenor***" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to ***Section 3.3(b)(iv)***.

"***Bail-In Action***" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"***Bail-In Legislation***" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"***Bank Product Agreements***" means those certain agreements entered into from time to time between any Loan Party and a Bank Product Provider in connection with any of the Bank Products, including without limitation, Hedge Agreements.

"***Bank Product Obligations***" means all obligations, liabilities, contingent reimbursement obligations, fees, and expenses owing by any Loan Party to any Bank Product Provider pursuant to or evidenced by the Bank Product Agreements and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all such amounts that any Loan Party is obligated to reimburse to any Bank Product Provider as a result of such Bank Product Provider purchasing participations or executing indemnities or reimbursement obligations with respect to the Bank Products provided to any Loan Party pursuant to the Bank Product Agreements. For the avoidance of doubt, the Bank Product Obligations arising under any Hedge Agreement shall be determined by the Hedge Termination Value thereof.

"***Bank Product Provider***" means any Person that is a party to a Bank Product Agreement with or provides Bank Products to any Loan Party that entered into such Bank Product Agreement or provided such Bank Product while such Person was a Lender or an Affiliate of a Lender, whether or not such Person at any time cease to be a Lender or an Affiliate of a Lender, as the case may be.

"***Bank Products***" means any service provided to, facility extended to, or transaction entered into with, any Loan Party by any Bank Product Provider consisting of (a) Deposit Accounts, (b) cash management services, including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) and other cash management arrangements maintained with any Bank

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Product Provider, (c) debit cards, stored value cards, and credit cards (including commercial credit cards (including so-called "procurement cards" or "P-cards")) and debit card and credit card processing services or (d) Hedge Agreements.

"***Bankruptcy Code***" means Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"***Base Rate***" means, for any day, a rate of interest per annum equal to the highest of (a) the Prime Rate for such day; (b) the sum of the Federal Funds Rate for such day *plus* one half of one percent (0.5%); and (c) Adjusted Term SOFR for a one month tenor in effect on such day *plus* one percent (1.00%); provided, however, if the Base Rate as determined pursuant to the foregoing shall be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Rate or Adjusted Term SOFR shall be effective on the effective day of such change in the Prime Rate, the Federal Funds Rate or Adjusted Term SOFR, respectively.

"***Base Rate Borrowing***" means, as to any Borrowing, the Base Rate Loans comprising such Borrowing.

"***Base Rate Loan***" means a Loan bearing interest based on the Base Rate.

"***Base Rate Term SOFR Determination Day***" has the meaning set forth in the definition of "Term SOFR".

"***Benchmark***" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to ***Section 3.3(b)(i)***.

"***Benchmark Rate Borrowing***" means, as to any Borrowing, the Benchmark Rate Loans comprising such Borrowing.

"***Benchmark Rate Loan***" means a Loan bearing interest based on the then existing Benchmark (initially, Adjusted Term SOFR).

"***Benchmark Replacement***" means with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by Administrative Agent for the applicable Benchmark Replacement Date:

(a) the sum of: (i) Daily Simple SOFR and (ii) the related Benchmark Replacement Adjustment; or

(b) the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated credit facilities at such time and (ii) the related Benchmark Replacement Adjustment.

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If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"***Benchmark Replacement Adjustment***" means, (a) with respect to Daily Simple SOFR, 0.11448%, and (b) with respect to any other replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and accepted by the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities at such time.

"***Benchmark Replacement Date***" means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the first date on which all Available Tenors of such Benchmark (or the published component used in the calculation thereof) have been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of ***clause (a)*** or ***(b)*** with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"***Benchmark Transition Event***" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

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(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"***Benchmark Unavailability Period***" means the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with ***Section 3.3(b)*** and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with ***Section 3.3(b)***.

"***Beneficial Ownership Certification***" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"***Beneficial Ownership Regulation***" means *31 C.F.R. §1010.230*.

"***BHC Act Affiliate***" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, *12 U.S.C. 1841(k)*) of such party.

"***Blocked Accounts***" has the meaning set forth in ***Section 2.10***.

"***Bloomberg***" means Bloomberg Index Services Limited.

"***Board of Governors***" means the Board of Governors of the Federal Reserve System of the United States of America.

"***Borrower***" means the Person identified as such in the introductory paragraph hereto, and its successors and assigns to the extent permitted by ***Section 11.8***.

"***Borrower Materials***" has the meaning set forth in ***Section 11.11(e)***.

"***Borrowing***" means a borrowing consisting of simultaneous Revolving Credit Loans of the same Type made by each of the Lenders pursuant to ***Section 2.1(a)***.

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"***Borrowing Base***" means, as of any date, an amount equal to the sum of, without duplication:

(a) [***] percent ([***]%) of the Borrower's Eligible Accounts, *plus*

(b) [***] percent ([***]%) of the product of (i) the Net Orderly Liquidation Value Percentage identified in the most recent Appraisal ordered and received by the Administrative Agent *multiplied by* (ii) the Borrower's Eligible Inventory (valued at the lower of cost or market), *minus*

(c) any Availability Reserves, *minus*

(d) the Borrowing Base Adjustment Amount.

"***Borrowing Base Adjustment Amount***" means, as of any date of determination, an amount equal to the greater of (i) [***]% of the Line Cap (determined without giving effect to clause (d) of the definition of "Borrowing Base") and (ii) $[***].

"***Borrowing Base Certificate***" means, as of any date of preparation, a certificate, substantially the form of ***Exhibit C***, or in any other form agreed to in writing by Borrower and Administrative Agent, prepared by and certified by a Responsible Officer of the Borrower.

"***Borrowing Base Reporting Deliverables***" means, with respect to any Payment Date, the applicable Borrowing Base Certificate and other information and documentation with respect to the Borrowing Base required to be delivered with respect to such Payment Date pursuant to ***Sections 6.1(g)*** through ***(i)***.

"***Borrowing Request***" means a writing, substantially in the form of ***Exhibit D*** or another form approved by Administrative Agent, properly completed and signed by the Borrower, requesting a Borrowing.

"***Business Day***" means for all purposes, a weekday, Monday through Friday, except a legal holiday or a day on which banking institutions in Dallas, Texas are authorized or required by Law to be closed. Unless otherwise provided, the term "days" when used herein means calendar days.

"***Capitalized Lease Obligation***" means, with respect to any Person, the amount of Debt under a lease of Property by such Person that would be shown as a liability on a balance sheet of such Person prepared for financial reporting purposes in accordance with GAAP.

"***Cash Collateralize***" means to pledge and deposit with or deliver to Administrative Agent, for the benefit of one or more of L/C Issuer or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if Administrative Agent and L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to Administrative Agent and L/C Issuer. "***Cash Collateral***" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"***Cash Equivalents***" means (a) direct interest bearing obligations of, and interest-bearing obligations guaranteed as to payment of principal and interest by, the United States or any agency or instrumentality of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one year of the date of acquisition thereof; (b) demand, time deposits, money market deposit accounts, certificates of

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deposit of and federal funds sold by, commercial banks incorporated under the laws of the United States or any state thereof, subject to supervision and examination by federal or state banking or depository institution authorities, maturing within 270 days from the date of the acquisition thereof and having, at the time of a relevant Borrower's investment, (i) a short term unsecured debt rating of "[***]" by S&P and (ii) capital and surplus in excess of $[***]; (c) commercial paper (including both non-interest bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than 270 days after the acquisition thereof) of any corporation (other than the Ultimate Parent), incorporated under the laws of the United States or any state thereof, that, at the time of the investment therein, is rated in one (1) of the two (2) highest rating categories of S&P or Moody's; (d) money market mutual funds, or any other mutual funds registered under the 1940 Act which invest only in other Cash Equivalents, having a rating, at the time of such investment, in the highest rating category by S&P; and (e) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (a) and (b) above entered into with any financial institution meeting the requirements in clause (b) above.

"***Casualty Event***" means any loss, casualty or other insured damage to, or any nationalization, taking under power of eminent domain or by condemnation or similar proceeding of, any Property of the Loan Parties.

"***Change in Law***" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, rule, regulation or treaty, (b) any change in any Law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or the implementation thereof and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "***Change in Law***", regardless of the date enacted, implemented, adopted or issued.

"***Change of Control***" means an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than Permitted Holders or a group that is controlled by a Permitted Holder that becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of 50% or more of the Equity Interests of Ultimate Parent entitled to vote for members of the board of directors or equivalent governing body of Ultimate Parent on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right);

(b) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of Ultimate Parent to any Person or group of related Persons for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended (a "Group"), other than, in each case, any such sale,

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lease, exchange or transfer to a Person or Group that is, prior to such, lease, exchange or transfer, an Affiliate of the Ultimate Parent and is Controlled by the Ultimate Parent;

(c) Ultimate Parent shall cease to Control Parent, Holdings or the Borrower; or

(d) Holdings shall cease for any reason to have record and beneficial ownership of 100% of the Equity Interests of Borrower.

"***Closing Date***" means the first date all the conditions precedent in ***Section 4.1*** are satisfied or waived in accordance with ***Section 11.10***.

"***Code***" means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute, together with the regulations promulgated thereunder.

"***Collateral***" means, collectively, all of the Property of Borrower and the other Loan Parties in which Liens are granted and/or purported to be granted pursuant to the Security Documents to secure the Obligations or any part thereof, including, among other things, 100% of the Equity Interests in Borrower owned by Holdings or any other Person.

"***Collateral Access Agreement***" means a landlord waiver, mortgagee waiver, bailee letter, freight forwarder agreement or similar acknowledgment of any lessor, warehouseman, processor, freight forwarder, carrier of Inventory or other Person in form and substance reasonably satisfactory to Administrative Agent.

"***Collection Account***" has the meaning set forth in ***Section 2.10***; *provided* that, at any time the Borrower has only one Blocked Account in to which all Receipts are deposited and no separate collection or concentration account has been established, the term "Collection Account" shall refer to such Blocked Account.

"***Commitment***" means, as to each Lender, its obligation to (a) make Revolving Credit Loans to Borrower pursuant to ***Section 2.1(a)*** and (b) purchase participations in L/C Obligations and Protective Advances, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on ***Schedule 2.1*** under the caption "Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"***Commitment Fee***" has the meaning set forth in ***Section 2.3(c)***.

"***Commodity Account***" shall have the meaning set forth in Article 9 of the UCC.

"***Commodity Exchange Act***" means the Commodity Exchange Act (*7 U.S.C. § 1 et seq*.), as amended from time to time, and any successor statute.

"***Communications***" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed to Administrative Agent, any Lender, or L/C Issuer by means of electronic communications pursuant to ***Section 11.11(d)***, including through the Platform.

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"***Compliance Certificate***" means a certificate, substantially in the form of ***Exhibit B***, or in any other form agreed to by Borrower and Administrative Agent, prepared by and certified by a Responsible Officer of Borrower.

"***Conforming Changes***" means, with respect to the use, administration of or any conventions associated with Term SOFR or any Benchmark Replacement, as applicable, any technical, administrative or operational changes (including changes to the definitions of "Base Rate", "Business Day", "Interest Period" (or any similar or analogous definition), "U.S. Government Securities Business Day", or the timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"***Connection Income Taxes***" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"***Constituent Documents***" means (a) in the case of a corporation, its articles or certificate of incorporation and bylaws; (b) in the case of a general partnership, its partnership agreement; (c) in the case of a limited partnership, its certificate of limited partnership or certificate of formation, as applicable, and partnership agreement; (d) in the case of a trust, its trust agreement; (e) in the case of a joint venture, its joint venture agreement; (f) in the case of a limited liability company, its articles of organization, operating agreement, regulations and/or other organizational and governance documents and agreements; and (g) in the case of any other entity, its organizational and governance documents and agreements.

"*Control*" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "***Controlling***" and "***Controlled***" have meanings correlative thereto.

"***Covered Entity***" means any of the following: (a) a "covered entity" as that term is defined in, and interpreted in accordance with, *12 C.F.R. § 252.82(b)*; (b) a "covered bank" as that term is defined in, and interpreted in accordance with, *12 C.F.R. § 47.3(b)*; or (c) a "covered FSI" as that term is defined in, and interpreted in accordance with, *12 C.F.R. § 382.2(b)*.

"***Covered Party***" has the meaning set forth in ***Section 11.30***.

"***Credit Extension***" means each of (a) a Borrowing and (b) an L/C Credit Extension.

"***Daily Simple SOFR***" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for business loans; provided, that if Administrative Agent decides that any such convention is not administratively feasible for Administrative Agent, then Administrative Agent may establish another convention in its reasonable discretion.

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"***Daily Simple SOFR Loan***" means a Loan bearing interest based on Daily Simple SOFR.

"***Debt***" means, of any Person as of any date of determination (without duplication): (a) all obligations of such Person for borrowed money; (b) all obligations of such Person evidenced by bonds, notes, debentures, or other similar instruments; (c) all obligations of such Person to pay the deferred purchase price of Property or services, except trade accounts payable of such Person arising in the ordinary course of business; (d) all Capitalized Lease Obligations of such Person; (e) all Debt or other obligations of others Guaranteed by such Person; (f) all obligations secured by a Lien existing on Property owned by such Person, whether or not the obligations secured thereby have been assumed by such Person or are non-recourse to the credit of such Person; (g) any other financial accommodations which in accordance with GAAP would be shown as a liability on the balance sheet of such Person; (h) any repurchase obligation or liability of a Person with respect to Accounts, chattel paper or notes receivable sold by such Person; (i) any obligation under any so called "synthetic leases;" (j) any obligation arising with respect to any other transaction that is the functional equivalent of a borrowing of money entered into by such Person to finance its operations or capital requirements whether structured as a borrowing, sale and leaseback or a sale of assets for accounting purposes; (k) all payment and reimbursement obligations of such Person (whether contingent or otherwise) in respect of letters of credit, bankers' acceptances, surety or other bonds and similar instruments; (l) all liabilities of such Person in respect of unfunded vested benefits under any Plan; (m) all net Hedge Obligations of such Person, valued at the Hedge Termination Value thereof; and (n) all obligations of such Person in respect of Disqualified Equity Interests.

For all purposes, the Debt of any Person shall include the Debt of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Debt is expressly made non-recourse to such Person.

"***Debtor Relief Laws***" means the Bankruptcy Code, or any other applicable Law, domestic or foreign, as now or hereafter in effect, relating to bankruptcy, insolvency, liquidation, receivership, reorganization, assignment for the benefit of creditors, moratorium, arrangement or composition, extension or adjustment of debts, or similar Laws affecting the rights of creditors.

"***Debtor Relief Plan***" means a plan of reorganization or plan of liquidation pursuant to any Debtor Relief Laws.

"***Default***" means an Event of Default or the occurrence of an event or condition which with notice or lapse of time or both would become an Event of Default.

"***Default Interest Rate***" means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) Adjusted Term SOFR for an interest period of one-month's duration (or, solely with respect to Base Rate Loans, the Base Rate) *plus* (ii) the Applicable Margin applicable to a Term SOFR Loan (or, solely with respect to Base Rate Loans, a Base Rate Loan) *plus* (iii) two percent (2%) per annum; *provided, however*, that with respect to a Benchmark Rate Loan, the Default Interest Rate shall be an interest rate equal to the interest rate (including any Applicable Margin) otherwise applicable to such Loan *plus* two percent (2%) per annum, and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Margin *plus* two percent (2%) per annum; *provided, however*, in no event shall the Default Interest Rate exceed the Maximum Rate.

"***Default Right***" has the meaning assigned to that term in, and shall be interpreted in accordance with, *12 C.F.R. §§ 252.81*, *47.2* or *382.1*, as applicable.

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"***Defaulting Lender***" means, subject to ***Section 11.22(b)***, any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder, or (ii) pay to Administrative Agent, L/C Issuer or any Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit) within two (2) Business Days of the date when due, (b) has notified Borrower, Administrative Agent or L/C Issuer in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect, (c) has failed, within three (3) Business Days after written request by Administrative Agent or Borrower, to confirm in writing to Administrative Agent and Borrower that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this ***clause (c)*** upon receipt of such written confirmation by Administrative Agent and Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-In Action; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by Administrative Agent that a Lender is a Defaulting Lender under any one or more of ***clauses (a)*** through ***(d)*** above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to ***Section 11.22(b)***) upon delivery of written notice of such determination to Borrower and each Lender.

"***Deposit Account***" shall have the meaning set forth in Article 9 of the UCC.

"***Disposition***" means any sale, lease, sub-lease, license, transfer, assignment, conveyance, release, loss or other disposition, or the entry into any contract the performance of which would result in any of the foregoing, of any interest in Property, or of any interest in a Subsidiary that owns Property, in any transaction or event or series of transactions or events (including pursuant to a division), and "***Dispose***" has the correlative meaning thereto.

"***Disqualified Equity Interest***" means any Equity Interest that, by its terms (or the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Equity Interests that are not Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Debt or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is ninety-one (91) days after the Maturity Date; *provided* that if such Equity Interests are issued pursuant to a plan for the benefit of employees of any Loan Party or any Subsidiary of a Loan Party or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by any Loan Party or any of its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

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"***Disqualified Lender***" shall mean, as of any date, any Person the Borrower identifies in writing as a "Disqualified Lender" by written notice delivered to the Administrative Agent prior to the Closing Date. The Borrower may from time to time, by written notice delivered to the Administrative Agent, update the list of Disqualified Lenders provided to the Administrative Agent prior to the Closing Date to (a) include identified Affiliates of Persons identified pursuant to the preceding sentence, (b) add competitors not previously identified on the list of Disqualified Lenders provided to the Administrative Agent prior to the Closing Date; provided that such updates pursuant to the foregoing clauses (a) and (b) shall (i) not become effective until the date that is two (2) Business Days following the Administrative Agent's receipt of such written notice and (ii) not apply retroactively to disqualify parties that have previously acquired an assignment or participation interest in the Loans and the Commitments prior to such date or (c) remove one or more Persons as Disqualified Lenders (in which case such removed Person or Persons shall no longer constitute Disqualified Lenders).

"***Document***" shall have the meaning set forth in Article 9 of the UCC.

"***Dollars***" and "***$***" mean lawful money of the United States of America.

"***DQ List***" has the meaning set forth in ***Section 11.8(g)***.

"***ECP Stockholder***" means any of Energy Capital Partners III, LP, Energy Capital Partners III-A, LP, Energy Capital Partners III-B, LP, Energy Capital Partners III-C, LP, Energy Capital Partners III-D, LP, Energy Capital Partners III (Sunnova Co-Invest), LP and each of their respective Affiliates that owns any shares of the common stock of Ultimate Parent.

"***EEA Financial Institution***" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in ***clause (a)*** of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in ***clauses (a)*** or ***(b)*** of this definition and is subject to consolidated supervision with its parent.

"***EEA Member Country***" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"***EEA Resolution Authority***" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"***Electronic Record***" has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

"***Electronic Signature***" has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

"***Eligible Accounts***" means, as of any date of determination thereof, all Accounts of the Borrower created in the ordinary course of business; provided that no Account shall be an Eligible Account if:

(a) it does not comply in all material respects with all applicable Laws, rules, and regulations, including, without limitation, usury Laws, the Federal Truth in Lending Act, and Regulation Z of the Board of Governors;

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(b) it has been outstanding for more than ninety (90) days past the original date of invoice or sixty (60) days after the original date payment is due;

(c) (i) the goods giving rise to such Account have not been delivered to the Account Debtor or otherwise do not constitute a final sale or (ii) the services giving rise to it have not been performed for the Account Debtor;

(d) it represents a progress billing or retainage, or relates to services for which a performance, surety or completion bond or similar assurance has been issued;

(e) (i) it arises from a sale on a cash-on-delivery, bill-and-hold, sale-or-return, sale-on-approval, consignment, or other repurchase or return basis, or from a sale for personal, family or household purposes or (ii) is not evidenced by an invoice or other documentation reasonably satisfactory to the Administrative Agent in its Permitted Discretion which has been sent to the Account Debtor;

(f) it is not subject to a duly perfected, first priority Lien in favor of the Administrative Agent;

(g) which is subject to any Lien other than (i) a Lien in favor of the Administrative Agent or (ii) a Permitted Lien which does not have priority over the Lien in favor of the Administrative Agent;

(h) it arises out of a contract with or order from, an Account Debtor that, by its terms, prohibits or makes void or unenforceable the grant of a security interest by the Borrower to Administrative Agent in such Account (except to the extent such prohibition or restriction is ineffective under the UCC or other applicable Law);

(i) it does not conform in any material respect (without duplication of any applicable materiality qualification) with a covenant or representation herein or in the other Loan Documents applicable to such Account;

(j) it is owing by a creditor or supplier of the Borrower or any Subsidiary thereof, or is otherwise subject to a potential offset, counterclaim, dispute, deduction, discount, recoupment, reserve, defense, chargeback, credit or allowance by such creditor or supplier (but ineligibility shall be limited to the amount thereof);

(k) the Account Debtor is insolvent or the subject of any bankruptcy or insolvency proceeding, or has made an assignment for the benefit of creditors, suspended normal business operations, dissolved, liquidated, terminated its existence, ceased to pay its debts as they become due, sold all or substantially all of its assets, or suffered a receiver or trustee to be appointed for any of its assets or affairs; or the Borrower is not able to bring suit or enforce remedies against the Account Debtor through judicial process;

(l) it is evidenced by any promissory note, chattel paper or an instrument of any kind that has not been delivered to the Administrative Agent;

(m) a default (other than in respect of late payment) exists under the Account by any party thereto;

(n) it is owed by an Affiliate, employee, officer, director or shareholder of any Loan Party or any of their Subsidiaries;

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(o) it is owed in a currency other than Dollars;

(p) the Account Debtor is organized or has its principal offices or assets outside the United States or its related territories or Canada;

(q) the Account Debtor is a Sanctioned Person;

(r) with respect to any Borrowing Base calculated for any period ending on or after April 30, 2023, more than [***] percent ([***]%) of the aggregate balances then outstanding on all Accounts owed by such Account Debtor and its Affiliates are unpaid for more than (i) sixty (60) days after the original date payment is due or (ii) ninety (90) days past the dates of their original invoices, no Accounts of such Account Debtor shall be Eligible Accounts;

(s) it is owing by a Governmental Authority, unless the Account Debtor is the United States of America or any department, agency, or instrumentality thereof and the Account has been assigned to the Administrative Agent in compliance with the Federal Assignment of Claims Act of 1940 and any other steps necessary to perfect the Lien of the Administrative Agent in such Account have been complied with to the Administrative Agent's satisfaction;

(t) it includes a billing for interest, fees or late charges, but ineligibility shall be limited to the extent thereof;

(u) (i) it is owing by a Tier One Account Debtor to the extent the aggregate amount of Accounts owing from such Tier One Account Debtor and its Affiliates to the Loan Parties exceeds [***] percent ([***]%) of the aggregate amount of all Eligible Accounts owed by all of the Loan Parties' Account Debtors, (ii) it is owing by a Tier Two Account Debtor to the extent the aggregate amount of Accounts owing from such Tier Two Account Debtor and its Affiliates to the Loan Parties exceeds [***] percent ([***]%) of the aggregate amount of all Eligible Accounts owed by all of the Loan Parties' Account Debtors, or (iii) it is owing by an Account Debtor (other than a Tier One Account Debtor or Tier Two Account Debtor) to the extent the aggregate amount of Accounts owing from such Account Debtor and its Affiliates to the Loan Parties exceeds [***] percent ([***]%) of the aggregate amount of all Eligible Accounts owed by all of the Loan Parties' Account Debtors (*provided, however*, that, in each case under this clause (u), if such aggregate exceeds such percentage of all Eligible Accounts, only such excess shall be ineligible);

(v) any Loan Party has made any agreement with the Account Debtor for any reduction of such Account, other than discounts and adjustments given in the ordinary course of business but only to the extent of any such reduction, or it was partially paid and a Loan Party created a new receivable for the unpaid portion of such Account; or

(w) any check or other instrument of payment with respect to such Account has been returned uncollected for any reason other than to the extent confirmed to be the result of human error.

In the event that an Account of the Borrower which was previously an Eligible Account ceases to be an Eligible Account hereunder, the Borrower shall notify the Administrative Agent thereof on and at the time of submission to the Administrative Agent of the next Borrowing Base Certificate. In determining the amount of an Eligible Account of the Borrower, the face amount of an Account may, in the Administrative Agent's Permitted Discretion, be reduced by, without duplication, to the extent not reflected in such face amount, (i) the amount of all accrued and

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actual discounts, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances (including any amount that the Borrower may be obligated to rebate to an account debtor pursuant to the terms of any agreement or understanding (written or oral)) and (ii) the aggregate amount of all cash received in respect of such Account but not yet applied by the Borrower to reduce the amount of such Account. Whenever Inventory is returned by an Account Debtor, the related Account shall be deemed ineligible to the extent of the amount owing by the Account Debtor with respect to such returned Inventory.

"***Eligible Assignee***" means any Person that meets the requirements to be an assignee under ***Section 11.8(b)(iii)***, ***(v)*** and ***(vi)*** (subject to such consents, if any, as may be required under ***Section 11.8(b)(iii)***).

"***Eligible Inventory***" means, as of any applicable date of determination, all Inventory of the Borrower for which the Administrative Agent has received a reasonably satisfactory Appraisal conducted by an appraiser reasonably acceptable to the Administrative Agent; *provided* that Eligible Inventory shall not include any Inventory:

(a) which is not subject to a first priority perfected Lien in favor of Administrative Agent;

(b) which is subject to any Lien other than (i) a Lien in favor of Administrative Agent or (ii) a Permitted Lien which does not have priority over the Lien in favor of Administrative Agent;

(c) which, Administrative Agent determines in its Permitted Discretion, (i) is not in saleable condition, (ii) is slow moving, obsolete and not acquired from a vendor on the Borrower's approved vendor list, unmerchantable, defective, used, or unfit for sale or (iii) is unacceptable due to age, type, and/or category;

(d) (i) with respect to which any covenant, representation or warranty contained herein or in any other Loan Document applicable to such Inventory has been breached or is not true in any material respect (without duplication of any applicable materiality qualification) or (ii) which (A) does not meet and comply in all material respects with all applicable Laws, rules, regulations and standards imposed by any Governmental Authority with respect to its manufacture, use, or sale, or (B) constitutes Hazardous Materials;

(e) in which any Person other than the Borrower shall (i) have any direct or indirect ownership, interest or title or (ii) be indicated on any purchase order or invoice with respect to such Inventory as having or purporting to have an interest therein;

(f) which (i) is not finished goods or (ii) constitutes work in process or raw materials, packaging and shipping material, manufacturing supplies, samples, prototypes, displays or display items, bill and hold or ship in place goods, goods that are returned or marked for return, repossessed goods, defective or damaged goods, goods held on consignment, or goods which are not of a type held for sale in the ordinary course of business;

(g) which (i) is not located in the United States or its related territories, (ii) is in transit with a common carrier from vendors or suppliers or has not been released or cleared for sale by US Customs and Border Protection or other regulatory agencies or (iii) is otherwise in transit except between locations of the Loan Parties or any of their Affiliates; *provided* that, up to $[***] of Inventory in transit from vendors and suppliers

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may be included as Eligible Inventory despite the foregoing provisions of this clause (g) so long as, to the extent requested by Administrative Agent, Administrative Agent (or its designee or agent) shall have received (A) a true and correct copy of the bill of lading and other shipping documents for such Inventory or an acceptable agreement that has been executed by the Loan Parties' applicable customs broker, in which such customs broker agrees that it holds any bill of lading or other shipping document as agent for the Administrative Agent, (B) evidence of satisfactory casualty insurance naming the Administrative Agent as lender loss payable and otherwise covering such risks as the Administrative Agent may reasonably request and (C) from and after the date that is, with respect to any customers brokers, freight forwarders or carriers of Inventory utilized as of the Closing Date, ninety (90) days after the Closing Date, and (y) with respect to any other customers brokers, freight forwarders or carriers of Inventory initially engaged by the Borrower after the Closing Date, ninety (90) days after the initial establishment of the commercial relationship between the Borrower (or Manager) and such customs broker, freight forwarder or carrier, as applicable, a duly executed Collateral Access Agreement, in form and substance reasonably satisfactory to the Administrative Agent, from the applicable customs broker, freight forwarder or carrier for such Inventory, in each case to the extent applicable with respect to such Inventory and its method of shipment;

(h) which is located in any location leased by any Loan Party or any of its Affiliates unless (i) (A) the lessor has delivered to Administrative Agent a Collateral Access Agreement or (B) a Rent Reserve for rent, charges and other amounts due or to become due with respect to such facility has been established by Administrative Agent in its Permitted Discretion in accordance with ***Section 6.16*** and (ii) at least $[***] of Inventory of the Borrower is located at such location;

(i) which is located in any third party warehouse or is in the possession of a bailee (other than a third party processor) and is not evidenced by a Document, unless (i) such warehouseman or bailee has delivered to Administrative Agent a Collateral Access Agreement or (ii) an appropriate Rent Reserve for rent, charges and other amounts due or to become due with respect to such location has been established by Administrative Agent in its Permitted Discretion in accordance with ***Section 6.16***;

(j) which is stored or held at a location that includes Inventory owned by any Subsidiary of Ultimate Parent that is not a Loan Party, unless such location shall be a warehouse that has a Warehouse Operating System and all Inventory stored or held in such warehouse shall be included in the Warehouse Operating System;

(k) which is being processed offsite at a third party location or outside processor, or is in transit to or from such third party location or outside processor, unless (i) such processor or other third party has delivered to Administrative Agent a Collateral Access Agreement or (ii) an appropriate Rent Reserve has been established by Administrative Agent in its Permitted Discretion;

(l) which is the subject of a consignment by the Borrower or any Subsidiary thereof as consignor;

(m) which has been shipped or delivered to a customer or any other person on consignment, a sale-or-return basis, or on the basis of any similar understanding;

(n) which is perishable;

(o) which is subject to any intellectual property or other license or other arrangement that restricts any Loan Party's or the Administrative Agent's right to dispose

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of such Inventory, including any intellectual property rights licensed to a Loan Party unless the Administrative Agent is reasonably satisfied that it may sell or otherwise dispose of such Inventory without (i) infringing the rights of such licensor, (ii) violating any licensing or contract with such licensor, or (iii) incurring any liability with respect to payment of royalties other than royalties incurred pursuant to the sale of such Inventory under the then current terms of such licensing agreement;

(p) which is not reflected in a current perpetual inventory report of the Borrower (unless such Inventory is reflected in a report to Administrative Agent as "in transit" Inventory);

(q) for which reclamation rights have been asserted by the seller; or

(r) which has been acquired from a Sanctioned Person.

In the event that Inventory which was previously Eligible Inventory ceases to be Eligible Inventory hereunder, the Borrower shall notify the Administrative Agent thereof on and at the time of submission to the Administrative Agent of the next Borrowing Base Certificate.

"***Environmental Laws***" means any and all federal, state, and local Laws, regulations, judicial decisions, orders, decrees, plans, rules, permits, licenses, and other governmental restrictions and requirements pertaining to health, safety, or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act as amended by the Superfund Amendments and Reauthorization Act of 1986, *42 U.S.C. §9601 et seq.*, the Resource Conservation and Recovery Act, *42 U.S.C. §6901 et seq.*, the Federal Water Pollution Control Act, as amended by the Clean Water Act, *33 U.S.C. §1251 et seq.*, the Clean Air Act, *42 U.S.C. §7401 et seq.*, the Emergency Planning and Community Right-to-Know Act, *42 U.S.C. §11001 et seq.*, the Hazardous Materials Transportation Act, *49 U.S.C. §5101 et seq.*, the Toxic Substances Control Act, *15 U.S.C. §2601 et seq.*, the Oil Pollution Act of 1990, *33 U.S.C. §2701 et seq.*, the Safe Drinking Water Act, *42 U.S.C. §300f et seq.*, the Occupational Safety and Health Act, *29 U.S.C. §651 et seq.*, the Federal Insecticide, Fungicide, and Rodenticide Act, *7 U.S.C. §136 et seq.*, the Endangered Species Act, *16 U.S.C. §1531 et seq.*, the National Environmental Policy Act, *42 U.S.C. §4321 et seq.*, the Rivers and Harbors Appropriation Act of 1899, *33 U.S.C. §407*, all similar state statutes and local ordinances, and all regulations promulgated under any of those statutes, and all administrative and judicial actions respecting such legislation, all as amended from time to time.

"***Environmental Liabilities***" means, as to any Person, all liabilities, obligations, responsibilities, Remedial Actions, losses, damages, punitive damages, consequential damages, treble damages, costs, and expenses (including, without limitation, all reasonable fees, disbursements and expenses of counsel, expert and consulting fees and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any claim or demand, by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, including any Environmental Law, permit, order or agreement with any Governmental Authority or other Person, arising from environmental, health or safety conditions or the Release or threatened Release of a Hazardous Material into the environment, resulting from the past, present, or future operations of such Person or its Affiliates.

"***Equity Interests***" means, as to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or

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options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended from time to time, together with the rules and regulations promulgated thereunder.

"***ERISA Affiliate***" means any corporation or trade or business which is a member of the same controlled group of corporations (within the meaning of *Section 414(b)* of the Code) as a Loan Party, is under common control (within the meaning of *Section 414(c)* of the Code) with a Loan Party, or is otherwise considered a single employer with a Loan Party pursuant to *Sections 414(m)* or *(o)* of the Code, for purposes of the provisions relating to *Section 412* of the Code or *Section 303* of ERISA.

"***ERISA Event***" means (a) a Reportable Event with respect to a Plan, (b) the incurrence by any Loan Party or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal of any Loan Party or any ERISA Affiliate from any Plan or Multiemployer Plan, (c) the filing of a notice of intent to terminate a Plan, the treatment of a Plan or Multiemployer Plan amendment as a termination under *Section 4041* or *4041A* of ERISA, or the commencement of proceedings by the PBGC to terminate a Plan or Multiemployer Plan, (d) the occurrence of an event or condition that constitutes grounds under *Section 4042* of ERISA for the termination of, or the appointment of a trustee to administer, any Plan or Multiemployer Plan, (e) the imposition of any liability to the PBGC under *Title IV* of ERISA, other than for PBGC premiums due but not delinquent under *Section 4007* of ERISA, upon any Loan Party or any ERISA Affiliate, (f) the failure of any Loan Party or ERISA Affiliate to satisfy the minimum funding standard under *Sections 412 or 430* of the Code or *Section 302* of ERISA, whether or not waived with respect to any Plan or Multiemployer Plan, or (g) receipt of notification that a Multiemployer Plan is, or is expected to be, insolvent (within the meaning of *Section 4245* of ERISA) or in critical and declining status (within the meaning of *Section 305* of ERISA or *Section 432* of the Code.

"***Erroneous Payment***" has the meaning set forth in ***Section 10.15(a)***.

"***Erroneous Payment Deficiency Assignment***" has the meaning set forth in ***Section 10.15(d)***.

"***Erroneous Payment Impacted Class***" has the meaning set forth in ***Section 10.15(d)***.

"***Erroneous Payment Return Deficiency***" has the meaning set forth in ***Section 10.15(d)***.

"***Erroneous Payment Subrogation Rights***" has the meaning set forth in ***Section 10.15(d)***.

"***EU Bail-In Legislation Schedule***" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"***Event of Default***" has the meaning set forth in ***Section 9.1***.

"***Excluded Deposit Account***" means a zero-balance disbursement account through which disbursements are made and settled on a daily basis with no uninvested balance remaining overnight.

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"***Excluded Swap Obligation***" means, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Loan Party of, or the grant by such Loan Party of a Lien to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to any "keepwell, support or other agreement" for the benefit of such Loan Party and any and all Guarantees of such Loan Party's Swap Obligations by Borrower or any other Loan Party) at the time the Guarantee of such Loan Party, or a grant by such Loan Party of a Lien, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one (1) swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or Lien is or becomes excluded in accordance with the first sentence of this definition.

"***Excluded Taxes***" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the Laws of, or having its principal office or, in the case of any Lender, its applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a Law in effect on the date on which (i) such Lender acquires such interest in such Loan or Commitment (other than pursuant to an assignment request by Borrower under ***Section 3.6(b)***) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to ***Section 3.4***, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with ***Section 3.4(g)*** and (d) any U.S. federal withholding Taxes imposed under FATCA.

"***Extraordinary Receipt***" means any cash received by or paid to or for the account of any Loan Party in connection with Casualty Events.

"***FASB ASC***" means the Accounting Standards Codification of the Financial Accounting Standards Board.

"***FATCA***" means *Sections 1471* through *1474* of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to *Section 1471(b)(1)* of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"***FCPA***" means the Foreign Corrupt Practices Act of 1977, as amended.

"***Federal Funds Rate***" means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York, on the Business Day next succeeding such day, *provided* that (a) if the day for which such rate is to be determined is not a Business Day, the Federal Funds Rate for such day shall be such rate on such

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transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if such rate is not so published for any day, the Federal Funds Rate for such day shall be the average rate charged to Administrative Agent on such day on such transactions as determined by Administrative Agent; *provided, however*, if the Federal Funds Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"***Fee Letter***" means the separate fee letter dated as of March 10, 2023, between Borrower and Texas Capital Bank and any other fee letter among Borrower and Administrative Agent, Arranger and/or Texas Capital Bank concerning fees to be paid by Borrower in connection with this Agreement, including any amendments, restatements, supplements or modifications thereof. By its execution of this Agreement, each Lender acknowledges and agrees that Administrative Agent, Arranger and/or Texas Capital Bank may elect to treat as confidential and not share with Lenders any Fee Letters executed from time to time in connection with this Agreement.

"***Flood Insurance Regulations***" means (a) the National Flood Insurance Act of 1968, (b) the Flood Disaster Protection Act of 1973, (c) the National Flood Insurance Reform Act of 1994 (amending *42 USC 4001 et seq.*), (d) the Flood Insurance Reform Act of 2004 and (e) the Biggert-Waters Flood Insurance Reform Act of 2012, in each case as now or hereafter in effect or any successor statute thereto and including any regulations promulgated thereunder.

"***Floor***" means a rate of interest equal to 0%.

"***Foreign Lender***" means a Lender that is not a U.S. Person.

"***Fraudulent Transfer Laws***" has the meaning set forth in ***Section 12.14.***

"***Fronting Exposure***" means, at any time there is a Lender that is a Defaulting Lender, with respect to L/C Issuer, such Defaulting Lender's Applicable Percentage of the Outstanding Amount of the L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"***Fund***" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"***Funding Account***" has the meaning set forth in ***Section 4.1(q)*** and after the Closing Date shall refer to any Deposit Account designated by the Borrower to the Administrative Agent in writing as the "Funding Account"; provided that the "Funding Account" must at all times be a Deposit Account maintained with the Administrative Agent and subject to an Account Control Agreement.

"***GAAP***" means generally accepted accounting principles, applied on a consistent basis, as set forth in opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants and/or in statements of the Financial Accounting Standards Board and/or their respective successors and which are applicable in the circumstances as of the date in question.

"***Governmental Authority***" means the government of the United States of America or any other nation, or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, tribal body or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank), and any group or body charged with setting

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financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

"***Guarantee***" by any Person means any obligation or liability, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person as well as any obligation or liability, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation or liability (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to operate Property, to take-or-pay, or to maintain net worth or working capital or other financial statement conditions or otherwise) or (b) entered into for the purpose of indemnifying or assuring in any other manner the obligee of such Debt or other obligation or liability of the payment thereof or to protect the obligee against loss in respect thereof (in whole or in part); *provided* that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The terms "***Guarantee***" and "***Guaranteed***" used as a verb have a corresponding meaning.

"***Guarantor Joinder Agreement***" means a Guarantor Joinder Agreement in the form of ***Exhibit G*** hereto.

"***Guarantors***" means, collectively, each Person who from time to time guarantees all or any part of the Obligations under (i) the Loan Documents by becoming a party to this Agreement pursuant to a Guarantor Joinder Agreement and (ii) any Bank Product Agreement to which a Loan Party (other than Borrower) is a party, Borrower, and "***Guarantor***" means any one of the Guarantors. For the avoidance of doubt, neither Ultimate Parent nor any of its Subsidiaries (other than Borrower and its Subsidiaries) shall constitute a "Guarantor" under the Loan Documents.

"***Guaranty***" means, collectively, the guaranty made by the Loan Parties party to this Agreement pursuant to ***Article 12*** and each other written guaranty executed by one or more of the Guarantors in favor of Administrative Agent, for the benefit of the Secured Parties, in form and substance satisfactory to Administrative Agent.

"***Hazardous Material***" means any substance, product, waste, pollutant, material, chemical, contaminant, constituent, or other material which is or becomes listed, regulated, or addressed under any Environmental Law, including, without limitation, any petroleum and petroleum byproducts, natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel (or mixture of natural gas and such synthetic gas), polychlorinated biphenyls, lead and lead-based paint, radon, radioactive materials, flammables and explosives, and mold. "Hazardous Material" shall include, without limitation, any hazardous or toxic substance, material or waste or any chemical, element, compound or mixture which is: (i) asbestos and asbestos-containing materials; (ii) designated as a "pollutant" or "toxic pollutant" pursuant to the Federal Water Pollution Control Act (*33 U.S.C. Paragraph 1251 et seq.*); (iii) defined as a "solid or hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act (*42 U.S.C. Paragraph 6901 et seq.*); (iv) defined as "hazardous substances" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (*42 U.S.C. Paragraph 9601 et seq.*); (v) listed in the United States Department of Transportation Table (*49 CFR 172.101*) or by the Environmental Protection Agency as hazardous substances (*40 CFR part 302*); (vi) chemicals, elements, compounds, mixtures, substances, materials or wastes otherwise regulated under any applicable federal, state or local Environmental Laws; (vii) polychlorinated biphenyls; (viii) "pesticides" as defined in the Federal Insecticide, Fungicide, and Rodenticide Act, *7 U.S.C. §§ 136 et seq.*; (ix) "contaminant" as defined in the Safe Drinking Water Act, *42 U.S.C. §§ 300f et seq.*; (x) "extremely hazardous substances" as defined in the Emergency Planning and Community Right to Know Act, *42 U.S.C. §§ 11001 et seq.*; (xi) "hazardous

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materials" as defined in the Hazardous Materials Transportation Act, *49 U.S.C. §§ 5101 et seq.*; (xii) "hazardous air pollutants" as defined in the Clean Air Act, *42 U.S.C. §§ 7401 et seq.*; and (xiii) "oil" as defined in the Oil Pollution Act of 1990, *33 U.S.C. §§ 2701 et seq.* "Hazardous Materials" shall exclude all batteries that are complete and fit for use for their intended purpose.

"***Hedge Obligations***" means, at any time with respect to any Person, all indebtedness, liabilities, and obligations of such Person under or in connection with any Hedge Agreement, whether actual or contingent, due or to become due and existing or arising from time to time.

"***Hedge Termination Value***" means, in respect of any one or more Hedge Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedge Agreements, (a) for any date on or after the date such Hedge Agreements have been closed out and settlement amounts, early termination amounts or termination value(s) determined in accordance therewith, such settlement amounts, early termination amounts or termination value(s), and (b) for any date prior to the date referenced in *clause (a)*, the amount(s) determined as the mark-to-market value(s) for such Hedge Agreements, as determined based upon one or more commercially reasonable mid-market or other readily available quotations provided by any dealer which is a party to such Hedge Agreement or any other recognized dealer in such Hedge Agreements (which may include a Lender or any Affiliate of a Lender).

"***Hedging Agreement***" or "***Hedge Agreement***" means (a) any and all interest rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules and annexes, a "***Master Agreement***"), (c) any and all Master Agreements and any and all related confirmations and (d) any other agreement, contract or transaction that constitutes a "swap" within the meaning of *Section 1a(47)* of the Commodity Exchange Act.

"***Historical Financial Statements***" has the meaning set forth in ***Section 4.1(r)***.

"***Holdings***" means Sunnova Inventory Supply Holdings, LLC, a Delaware limited liability company.

"***Honor Date***" has the meaning set forth in ***Section 2.2(c)(i)***.

"***Increase Effective Date***" has the meaning set forth in ***Section 2.12(c)***.

"***Indemnified Taxes***" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of Borrower or any other Loan Party under any Loan Document and (b) to the extent not otherwise described in ***clause (a)***, Other Taxes.

"***Indemnitee***" has the meaning set forth in ***Section 11.2***.

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"***Information***" has the meaning set forth in ***Section 11.26***.

"***Initial Funding Date***" means March 13, 2023.

"***Initial Interest Period***" means the period from the Initial Funding Date to the last day of the calendar month that includes the Initial Funding Date.

"***Initial Inventory Purchaser***" means Parent and any other Affiliate of the Parent that purchases Inventory from a third-party vendor for purpose of selling or otherwise transferring such Inventory to the Borrower pursuant to the Master Intercompany Purchase Agreement.

"***Initial Purchase Order***" means a purchase order made by an Initial Inventory Purchaser together with each related purchase order confirmation.

"***Intellectual Property***" means all copyrights, copyrightable works, patents, patent applications, trademarks, service marks, trade names, brand names, trade dress, slogans, logos and internet domain names and uniform resource locators, and the goodwill associated with any of the foregoing, and other types of intellectual or industrial property rights and foreign equivalent or counterpart rights and forms of protection of a similar or analogous nature to any of the foregoing or having similar effect in any jurisdiction throughout the world, and registrations and applications for registration of any of the foregoing, and all documentation and embodiments of the foregoing, in whatever form, now owned or hereafter acquired.

"***Interest Period***" means (a) the Initial Interest Period and (b) after the conclusion of the Initial Interest Period, the period commencing on the first day of each calendar month and ending on the last day of each calendar month ending during the term of this Agreement.

"***Interest Rate***" means the rate equal to the lesser of (a) the Maximum Rate and (b) the Applicable Rate.

"***Inventory***" has the meaning set forth in Chapter 9 of the UCC.

"***Inventory Report***" has the meaning set forth in ***Section 6.1(g)***.

"***IRS***" means the United States Internal Revenue Service.

"***ISP***" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"***Issuer Documents***" means, with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by L/C Issuer and Borrower (or any Subsidiary) or in favor of L/C Issuer and relating to such Letter of Credit.

"***Junior Debt***" means, with respect to the Loan Parties, any (a) Debt that is, or is required to be, contractually subordinated to the Obligations or that is secured by Liens that are junior to the Liens securing the Obligations, (b) unsecured Debt for borrowed money, and (c) Debt in respect of Disqualified Equity Interests.

"***L/C Advance***" means, with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.

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"***L/C Borrowing***" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed by Borrower on the date when made or refinanced as a Borrowing.

"***L/C Credit Extension***" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"***L/C Issuer***" means Texas Capital Bank (or any of its successors or Affiliates) in its capacity as issuer of Letters of Credit hereunder, and any other Lender that has been approved pursuant to the terms of this Agreement to issue Letters of Credit.

"***L/C Obligations***" means, as of any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with ***Section 1.4***. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"***Laws***" means, collectively, all international, foreign, federal, state, provincial and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"***Legal Expenses Limitation***" (a) with respect to any obligation in any Loan Document of any Loan Party to pay or reimburse any legal fees or expenses of the Administrative Agent, that such obligation shall be limited to the documented out-of-pocket fees and expenses of one primary counsel, one local counsel for each relevant jurisdiction as may be necessary in the reasonable judgment of the Administrative Agent, and one specialty counsel acting in each reasonably necessary specialty area as determined in the reasonable judgment of the Administrative Agent and (b) with respect to any obligation in any Loan Document of any Loan Party to pay or reimburse any legal fees or expenses of the Lenders or any other Indemnitee (other than the Administrative Agent acting in its capacity as such), that such obligation shall be limited to the documented out-of-pocket fees and expenses of one primary counsel and one local counsel for each relevant jurisdiction for all such Persons as a whole; *provided*, that if such legal counsel determines in good faith that representing all such Persons would or could result in a conflict of interest under laws or ethical principles applicable to such legal counsel or that a defense or counterclaim is available to one such Person that is not available to all such Persons, then to the extent reasonably necessary to avoid such a conflict of interest or to permit unqualified assertion of such a defense or counterclaim, each group of affected similarly situated Persons shall be entitled to separate representation by legal counsel selected by such group of similarly situated Persons.

"***Lender***" and "***Lenders***" have the meanings set forth in the introductory paragraph hereto, and shall include L/C Issuer, and their respective successors and assigns permitted hereunder, as the context may require.

"***Lending Office***" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify Borrower and Administrative Agent.

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"***Letter of Credit***" means any standby letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder.

"***Letter of Credit Application***" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by L/C Issuer.

"***Letter of Credit Expiration Date***" means the day that is five (5) Business Days prior to the Maturity Date for the Revolving Credit Facility.

"***Letter of Credit Fee***" has the meaning set forth in ***Section 2.3(b)***.

"***Letter of Credit Sublimit***" means, at any time, an amount equal to the lesser of (a) $~~0~~6,000,000 and (b) the aggregate Commitments at such time. The Letter of Credit Sublimit is part of, and not in addition to, the Commitments.

"***Lien***" means, as to any Property of any Person, (a) any lien, mortgage, security interest, Tax lien, pledge, charge, hypothecation, collateral assignment, preference, priority, or other encumbrance of any kind or nature whatsoever (including, without limitation, any conditional sale or title retention agreement), whether arising by contract, operation of law, or otherwise, affecting such Property and (b) the signing or filing of a financing statement which names the Person as debtor or the signing of any security agreement or the signing of any document authorizing a secured party to file any financing statement which names such Person as debtor.

"***Line Cap***" means, as of any date of determination, the lesser of (a) the aggregate amount of the Commitments of the Lenders on such date and (b) the Borrowing Base in effect on such date.

"***Liquidity Event***" means the failure of Parent and its Subsidiaries (other than the Loan Parties) to have less than $20,000,000 in Qualifying Liquidity.

"***Liquidity Reserve Account***" means the Deposit Account of the Borrower maintained with Texas Capital Bank as account number [***] and any successor account thereto.

"***Liquidity Reserve Account Balance***" means, at any time of determination, the amount on deposit or credited to the Liquidity Reserve Account.

"***Liquidity Reserve Account Shortfall***" means, at any time of determination, the positive amount, if any, by which the Required Liquidity Reserve Account Balance exceeds the Liquidity Reserve Account Balance at such time.

"***Liquidity Reserve Account Surplus***" means, at any time of determination, the positive amount, if any, by which the Liquidity Reserve Account Balance exceeds the Required Liquidity Reserve Account Balance at such time.

"***Loan***" means a loan or advance made by the Lenders pursuant to this Agreement, including Revolving Credit Loans and Protective Advances.

"***Loan Documents***" means this Agreement, each Guaranty, the Security Documents, the Notes, the Issuer Documents, each Fee Letter, the Performance Guaranty, and all other promissory notes, security agreements, intercreditor agreements, mortgages, deeds of trust, assignments, letters of credit, guaranties, and other instruments, documents, certificates and agreements executed and delivered pursuant to or in connection with this Agreement or the Security Documents; *provided* that the term "Loan Documents" shall not include any Bank Product Agreement.

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"***Loan Party***" means Borrower and each Guarantor.

"***Lockbox Agreement***" has the meaning set forth in ***Section 2.10***.

"***Management Services Agreement***" shall mean the Management Services Agreement, dated as of the Closing Date, between the Borrower and the Manager, as in effect on the Closing Date and thereafter as amended, restated, modified or supplemented from time to time to the extent permitted under ***Section 7.15***.

"***Manager***" means Sunnova Management, LLC, a Delaware limited liability company.

"***Manager Fee***" shall have the meaning set forth in Section 2.1(b) of the Management Services Agreement.

"***Master Intercompany Purchase Agreement***" means that certain Master Purchase Agreement**,** dated as of the Closing Date, among the Borrower, Parent and any other Subsidiary of Parent that accedes thereto, as amended or otherwise modified from time to time to the extent permitted under ***Section 7.15***.

"***Material Adverse Effect***" means any act, event, condition, or circumstance having a material and adverse effect on (a) the operations, business, Properties, liabilities (actual or contingent), or financial condition of Borrower or Borrower and its Subsidiaries, taken as a whole; (b) the ability of Borrower or Borrower and its Subsidiaries, taken as a whole, to perform its respective obligations under any Loan Document to which it is a party; (c) the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party; or (d) the rights, remedies and benefits available to, or conferred upon, Administrative Agent or any other Secured Party under any Loan Document.

"***Material Agreement***" means (a) any contract or agreement (excluding any invoice evidencing the existence of an Account) of any Loan Party (i) involving a monetary liability of or payable to any Loan Party in an aggregate amount in excess of $[***] in any twelve-month period or (ii) the failure to renew, the breach, non-performance, or cancellation of which could reasonably be expected to have a Material Adverse Effect, (b) the Master Intercompany Purchase Agreement, (c) the Subordinated Intercompany Note and (d) the Management Services Agreement.

"***Material Parent Credit Facility***" means any credit facility (together with any replacement thereof) of Ultimate Parent or any of its Subsidiaries (other than the Loan Parties) that has a commitment of $250,000,000 or more that the termination of such credit facility or of the commitments thereunder could individually be expected to result in a Liquidity Event (determined for purposes of this definition without giving effect to clause (b) of the definition of "Qualifying Liquidity").

"***Maturity Date***" means, as of any date of determination, the earliest of (a) the Scheduled Maturity Date, (b) the date that is 180 days prior to scheduled maturity date of the then existing Material Parent Credit Facility that has the latest scheduled maturity date of all Material Parent Credit Facilities, (c) any date on which the Ultimate Parent ceases to have at least one Material Parent Credit Facility effective or available, or (d) such earlier date on which the Commitment of each Lender terminates as provided in this Agreement; *provided*, *however*, that, in each case, if such date is not a Business Day, the Maturity Date shall be the next succeeding Business Day.

"***Maximum Rate***" means, at all times, the maximum rate of interest which may be charged, contracted for, taken, received or reserved by Lenders in accordance with applicable New York Law (or applicable United States federal Law to the extent that such Law permits

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Lenders to charge, contract for, receive or reserve a greater amount of interest than under New York Law). The Maximum Rate shall be calculated in a manner that takes into account any and all fees, payments, and other charges in respect of the Loan Documents that constitute interest under applicable Law. Each change in any interest rate provided for herein based upon the Maximum Rate resulting from a change in the Maximum Rate shall take effect without notice to Borrower at the time of such change in the Maximum Rate.

"***Minimum Collateral Amount***" means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during the time that a Defaulting Lender exists, an amount equal to [***]% of the Fronting Exposure of L/C Issuer with respect to Letters of Credit issued and outstanding at such time and (b) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of ***Section 2.6(a)(i)***, ***(a)(ii)*** or ***(a)(iii)***, an amount equal to [***]% of the Outstanding Amount of all L/C Obligations.

"***Moody's***" means Moody's Investors Service, Inc. and any successor thereto that is a nationally-recognized rating agency.

"***Multiemployer Plan***" means a multiemployer plan defined as such in *Section 3(37)* of ERISA to which contributions are being made or have been made by, or for which there is an obligation to make contributions by or there is any liability, contingent or otherwise, with respect to a Loan Party or any ERISA Affiliate and which is covered by *Title IV* of ERISA.

"***Net Cash Proceeds***" means:

(a) with respect to any Disposition by any Loan Party, or any Extraordinary Receipt (other than in respect of a Casualty Event) received or paid to the account of any Loan Party, the excess, if any, of (i) the sum of cash and Cash Equivalents received in connection with such transaction (including any cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received), over (ii) the sum of (A) the principal amount of any Debt that is secured by the applicable asset and that is required to be repaid in connection with such transaction (other than Debt under the Loan Documents) and any reserves for adjustment in respect of the price relating to a Disposition, established in accordance with GAAP, (B) the reasonable out-of-pocket expenses incurred by such Loan Party or such Subsidiary in connection with such transaction including legal, accounting, investment banking and other professional fees directly related thereto and (C) Taxes paid or reasonably estimated to be payable within two years of the date of the relevant transaction as a result of any gain recognized in connection therewith (after taking into account any available tax credits or deductions and any tax sharing arrangement); *provided* that, if (1) reserves established pursuant to ***subclause (A)*** exceed the actual purchase price adjustment required to be paid in connection with such transactions, or (2) the amount of any estimated Taxes pursuant to ***subclause (C)*** exceeds the amount of Taxes actually required to be paid in cash in respect of such Disposition, in each case, the aggregate amount of such excess shall constitute Net Cash Proceeds; and

(b) with respect to any Casualty Event, an amount equal to: (a) any cash payments or proceeds received by any Loan Party (i) under any casualty, business interruption or "key man" insurance policies in respect of any covered loss thereunder, or (ii) as a result of the taking of any assets of any Loan Party by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, minus (b) any actual and reasonable costs incurred by such Loan Party in connection with the adjustment or settlement of any claims of such Loan Party in respect thereof.

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"***Net Orderly Liquidation Value Percentage***" means, with respect to Inventory of any Person, the orderly liquidation value thereof, expressed as a percentage, as determined in a manner acceptable to the Administrative Agent pursuant to the most recent Appraisal ordered, received and relied upon by the Administrative Agent pursuant to ***Section 6.6(c)*** and conducted by an appraiser reasonably acceptable to the Administrative Agent, net of all costs of liquidation thereof.

"***Non-Consenting Lender***" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all or all affected Lenders in accordance with the terms of ***Section 11.10*** and (b) has been approved by the Required Lenders.

"***Non-Defaulting Lender***" means, at any time, each Lender that is not a Defaulting Lender at such time.

"***Non-Extension Notice Date***" has the meaning set forth in ***Section 2.2(b)(iii)***.

"***Note***" means a promissory note made by Borrower in favor of a Lender evidencing Revolving Credit Loans made by such Lender, substantially in the form of ***Exhibit E***.

"***Obligations***" means all obligations, indebtedness, and liabilities of Borrower and each other Loan Party to Administrative Agent, L/C Issuer, each Lender and each other Secured Party now existing or hereafter arising, whether direct, indirect, related, unrelated, fixed, contingent, liquidated, unliquidated, joint, several, or joint and several, arising under or pursuant to this Agreement, any Bank Product Agreements or the other Loan Documents, and all interest accruing thereon (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether a claim for post-filing or post-petition interest is allowed in any bankruptcy, insolvency, reorganization or similar proceeding), and all attorneys' fees and other expenses incurred in the enforcement or collection thereof and Erroneous Payment Subrogation Rights; *provided* that, as to any Loan Party, the "Obligations" shall exclude any Excluded Swap Obligations of such Loan Party.

"***OFAC***" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"***Other Connection Taxes***" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"***Other Guaranties***" has the meaning set forth in ***Section 12.11***.

"***Other Guarantors***" has the meaning set forth in ***Section 12.11***.

"***Other Taxes***" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to ***Section 3.6***).

"***Outstanding Amount***" means (a) with respect to the Revolving Credit Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings

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and prepayments or repayments of Revolving Credit Loans occurring on such date, and (b) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by Borrower of Unreimbursed Amounts.

"***Overadvance***" has the meaning set forth in ***Section 2.8(c)***.

"***Paid in Full***" or "***Payment in Full***" means, (a) the indefeasible payment in full in cash of all outstanding Loans and L/C Obligations, together with accrued and unpaid interest thereon, (b) the termination, expiration, or cancellation and return of all outstanding Letters of Credit (or alternatively, with respect to each such Letter of Credit, the furnishing to Administrative Agent of a cash deposit, or at the discretion of Administrative Agent a backup standby letter of credit satisfactory to Administrative Agent and L/C Issuer, in an amount equal to [***]% of the outstanding L/C Obligations as of the date of such payment), (c) the indefeasible payment in full in cash of the accrued and unpaid fees owing under the Loan Documents, (d) the indefeasible payment in full in cash of all reimbursable expenses and other Obligations (other than contingent obligations for which no claim has been made and other obligations expressly stated to survive such payment and termination of this Agreement), together with accrued and unpaid interest thereon, (e) the termination of all Commitments, and (f) the termination of all Bank Product Agreements with all amounts then due and payable thereunder having been paid in full in cash or entering into other arrangements satisfactory to the Secured Parties counterparty thereto.

"***Parent***" means Sunnova Energy Corporation, a Delaware corporation.

"***Participant***" means any Person (other than (a) a natural Person, (b) a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, (c) a Defaulting Lender, (d) a Disqualified Lender, or (e) Borrower or any of Borrower's Affiliates or Subsidiaries or any other Loan Party) to which a participation is sold by any Lender in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it).

"***Participant Register***" means a register in the United States on which each Lender that sells a participation enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents.

"***PATRIOT Act***" means the Uniting and Strengthening America by Providing Appropriate Tools to Intercept and Obstruct Terrorism Act of 2001 (*Title III* of *Pub. L. 107-56*, signed into law October 26, 2001).

"***Payment Date***" means (a) the Thursday of each calendar week (commencing with May 16, 2024) and (b) the Maturity Date; *provided*, *however*, that if the Thursday of any calendar week is not a Business Day, the Payment Date for such week shall be the next succeeding Business Day.

"***Payment Recipient***" has the meaning assigned to it in ***Section 10.15(a)***.

"***PBGC***" means the Pension Benefit Guaranty Corporation or any entity succeeding to all or any of its functions under ERISA.

"***Performance Guaranty***" means that certain Performance Guaranty, dated as of the Closing Date, by the Parent, in favor of Administrative Agent for the benefit of the Secured Parties.

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"***Periodic Term SOFR Determination Day***" has the meaning set forth in the definition of "Term SOFR".

"***Permitted Discretion***" means a determination made in good faith and in the exercise of reasonable (from the perspective of a secured asset based lender) business judgment.

"***Permitted Holders***" means collectively, the ECP Stockholders and the Quantum Stockholders.

"***Permitted Liens***" means those Liens permitted by ***Section 7.2***.

"***Person***" means any natural person, corporation, limited liability company, trust, association, company, partnership, joint venture, Governmental Authority, or other entity, and shall include such Person's heirs, administrators, personal representatives, executors, successors and assigns.

"***Plan***" means any employee pension benefit plan, other than a Multiemployer Plan, established or maintained by, or for which there is an obligation to make contributions by or there is any liability, contingent or otherwise with respect to Borrower or any ERISA Affiliate and which is covered by *Title IV* of ERISA or subject to *Section 412* of the Code.

"***Plan Asset Regulations***" means 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA, as amended from time to time.

"***Platform***" means Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

"***Pledge Agreement***" means that certain Pledge Agreement, dated as of the Closing Date, between Holdings and Administrative Agent.

"***Prime Rate***" means the rate of interest published by *The Wall Street Journal*, from time to time, as the "U.S. Prime Rate".

"***Principal Office***" means the principal office of Administrative Agent, presently located at the address set forth on ***Schedule 11.11***.

"***Prohibited Transaction***" means any transaction set forth in *Section 406* of ERISA or *Section 4975* of the Code.

"***Property***" of a Person means any and all property, whether real, personal, tangible, intangible or mixed, of such Person, or any other assets owned, operated or leased by such Person, including Equity Interests and contract rights.

"***Protective Advance***" has the meaning set forth in ***Section 2.9(a)***.

"***PTE***" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"***Public Lender***" has the meaning set forth in ***Section 11.11(e)***.

"***QFC***" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, *12 U.S.C. 5390(c)(8)(D)*.

"***QFC Credit Support***" has the meaning set forth in ***Section 11.30***.

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"***Qualified ECP Guarantor***" means, at any time, each Loan Party with total assets exceeding $[***] or that qualifies at such time as an "eligible contract participant" under the Commodity Exchange Act or any regulation promulgated thereunder and can cause another Person to qualify as an "eligible contract participant" at such time under *Section 1a(18)(A)(v)(II)* of the Commodity Exchange Act.

"***Qualifying Liquidity***" means, at any time of determination, the sum of (a) the aggregate undrawn and available commitments under committed financing facilities of Parent and its Subsidiaries (other than the Loan Parties) at such time and (b) the aggregate amount of Unrestricted Cash of the Parent and its Subsidiaries (other than the Loan Parties) at such time.

"***Quantum Stockholders***" means QSIP LP and each of its Affiliates that owns any shares of the common stock of Ultimate Parent.

"***Receipts***" has the meaning set forth in ***Section 2.11(a)***.

"***Recipient***" means Administrative Agent, L/C Issuer, or any Lender, as applicable.

"***Register***" means a register for the recordation of the names and addresses of Lenders, and the Commitments of, and principal amounts of and stated interest on the Loans owing to, each Lender pursuant to the terms hereof from time to time.

"***Related Indebtedness***" means any and all indebtedness paid or payable by Borrower or any other Loan Party to Administrative Agent or any Lender pursuant to any Loan Document other than any Note.

"***Related Parties***" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, sub agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"***Release***" means, as to any Person, any release, spill, emission, leaking, pumping, injection, deposit, disposal, disbursement, leaching, or migration of Hazardous Materials into the indoor or outdoor environment or into or out of Property owned by such Person, including, without limitation, the movement of Hazardous Materials through or in the air, soil, surface water, ground water, or Property.

"*Release Date*" means the last to occur of the dates on which Liens securing the Obligations may be released pursuant to ***Section 10.9(a)(i)(A)***.

"***Relevant Governmental Body***" means the Board of Governors or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors or the Federal Reserve Bank of New York, or any successor thereto.

"***Remedial Action***" means all actions required to (a) clean up, remove, treat, or otherwise address Hazardous Materials in the indoor or outdoor environment, (b) prevent the Release or threat of Release or minimize the further Release of Hazardous Materials so that they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, or (c) perform pre-remedial studies and investigations and post-remedial monitoring and care.

"***Rent Reserve***" means, with respect to any facility, warehouse distribution center, regional distribution center or depot where any Inventory subject to Liens arising by operation of law is located and with respect to which no Collateral Access Agreement is in effect, a reserve equal to (a) in the case of any leased location, all rent, charges and fees scheduled or customarily

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falling due for payment during a three (3) month period at such facility, warehouse distribution center, regional distribution center or depot where any Inventory is stored or located, and (b) in the case of any other location, an amount determined by Administrative Agent in its Permitted Discretion in respect of liabilities owed to the applicable consignee, bailee, processor or warehouseman.

"***Reportable Event***" means any of the events set forth in *Section 4043* of ERISA, excluding, however, such events as to which the Pension Benefit Guaranty Corporation by regulation or by public notice waived the requirement of *Section 4043* of ERISA that it be notified within thirty (30) days of the occurrence of such event.

"***Required Lenders***" means, at any time, Lenders having Revolving Credit Exposures representing more than 50% of the Revolving Credit Exposures of all Lenders; *provided* that, as long as there are only two Lenders, Required Lenders shall mean both Lenders. The Revolving Credit Exposure of any Defaulting Lender shall be disregarded in determining the Required Lenders at any time.

"***Required Liquidity Reserve Account Balance***" means, as of any date of determination, an amount equal to 2.0% of the outstanding Revolving Credit Exposure at such time.

"***Resignation Effective Date***" has the meaning set forth in ***Section 10.6(a)***.

"***Resolution Authority***" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"***Responsible Officer***" means, with respect to any corporation, limited liability company or partnership, the chairman of the board, the president, any vice president, the secretary, the treasurer, any assistant secretary, any assistant treasurer, managing member and each other officer of such corporation or limited liability company or the general partner of such partnership specifically authorized in resolutions of the board of directors of such corporation or managing member of such limited liability company to sign agreements, instruments or other documents in connection with the Loan Documents on behalf of such corporation, limited liability company or partnership, as the case may be, and who is authorized to act therefor. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Person and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"***Restricted Payment***" means, collectively, (a) any dividend or other distribution (whether in cash, securities or other Property) with respect to any capital stock or other Equity Interest of any Loan Party and (b) any payment (whether in cash, securities or other Property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any capital stock or other Equity Interest or on account of any return of capital to any Loan Party's stockholders, partners or members (or the equivalent Person thereof).

"***Revolving Credit Exposure***" means, as to any Lender at any time, the aggregate Outstanding Amount of its Revolving Credit Loans and such Lender's participation in L/C Obligations and Protective Advances at such time.

"***Revolving Credit Facility***" means the revolving credit facility provided for and governed by this Agreement.

"***Revolving Credit Loan***" has the meaning set forth in ***Section 2.1(a)***.

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"***Revolving Facility Increase***" has the meaning set forth in ***Section 2.12(a)***.

"***RICO***" means the Racketeer Influenced and Corrupt Organization Act of 1970.

"***S&P***" means S&P Global Ratings, a S&P Global Inc. business and any successor thereto that is a nationally-recognized rating agency.

"***Sanctioned Country***" means, at any time, a country, region or territory which is itself (or whose government is) the subject or target of any Sanctions (including, as of the Closing Date, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic regions of Ukraine, Cuba, Iran, North Korea, Syria and Crimea).

"***Sanctioned Person***" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC (including OFAC's Specially Designated Nationals and Blocked Persons List and OFAC's Consolidated Non-SDN List), the U.S. Department of State, the European Union, any European Union member state or His Majesty's Treasury of the United Kingdom, (b) any Person organized or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons, in each case, to the extent dealings are prohibited or restricted with such Person under Sanctions or (d) any Person otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

"***Sanctions***" means economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, any European Union member state or His Majesty's Treasury of the United Kingdom, or other relevant sanctions authority in which (a) any Loan Party or any of their Subsidiaries or Affiliates is located or conducts business, (b) in which any of the proceeds of the Credit Extensions will be used, or (c) from which repayment of the Obligations will be derived.

"***Scheduled Maturity Date***" means March 10, 2026.

"***SEC***" means the U.S. Securities and Exchange Commission, or any successor agency.

"***Secured Parties***" means the collective reference to Administrative Agent, each Lender, L/C Issuer, each Bank Product Provider, and any other Person the Obligations owing to which are, or are purported to be, secured by the Collateral under the terms of the Security Documents.

"***Securities Account***" shall have the meaning set forth in Article 8 of the UCC.

"***Security Agreement***" means that certain Pledge and Security Agreement, dated as of the Closing Date, among the Loan Parties and Administrative Agent.

"***Security Documents***" means each and every security agreement, pledge agreement (including the Security Agreement and the Pledge Agreement), mortgage, deed of trust, Account Control Agreement or other collateral security agreement required by or delivered to Administrative Agent from time to time that purport to create a Lien in favor of any of the Secured Parties to secure payment or performance of the Obligations or any portion thereof.

"***Settlement Date***" means (a) the Initial Funding Date and (b) each Payment Date.

"***SOFR***" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

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"***SOFR Administrator***" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"***Solvent***" means, with respect to any Person, as of any date of determination, that the fair value of the assets of such Person (at fair valuation) is, on the date of determination, greater than the total amount of liabilities (including contingent and unliquidated liabilities) of such Person as of such date, that the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the probable liability of such Person on its debts as such debts become absolute and matured, and that, as of such date, such Person will be able to pay all liabilities of such Person as such liabilities mature and such Person does not have unreasonably small capital with which to carry on its business. In computing the amount of contingent or unliquidated liabilities at any time, such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability discounted to present value at rates believed to be reasonable by such Person acting in good faith.

"***Specified Event of Default***" means an Event of Default under ***Sections 9.1(a)***, ***(e)*** or ***(f)***.

"***Subordinated Intercompany Note***" means, collectively (a) that certain Subordinated Intercompany Note**,** dated as of the Closing Date by the Borrower in favor of Parent and (b) each other Subordinated Intercompany Note in form and substance substantially similar to the note described in clause (a) above and otherwise reasonably satisfactory to Administrative Agent, each as amended or otherwise modified from time to time to the extent permitted under ***Section 7.15***.

"***Subordination Agreement***" means that certain Subordination Agreement, dated as of the Closing Date, by and among Borrower, Parent, any other party who Borrower or any other Loan Party has acceded thereto upon the issuance of a Subordinated Intercompany Note from time to time and Administrative Agent.

"***Subsidiary***" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of Borrower.

"***Supported QFC***" has the meaning set forth in ***Section 11.30***.

"***Sureties***" has the meaning set forth in ***Section 12.3(b)*.**

"***Swap Obligations***" means, with respect to any Loan Party, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of *Section 1a(47)* of the Commodity Exchange Act.

"***Tax Return***" means any return (including any information report), report, statement, schedule, notice, form, or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Authority in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of any Tax.

[***] = Certain information has been excluded from this exhibit because it is both not material and would likely cause harm to the company if publicly disclosed.

"***Taxes***" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"***Term SOFR***" means:

(a) for any calculation with respect to a Term SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, a "***Periodic Term SOFR Determination Day***") that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day, the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, a "***Base Rate Term SOFR Determination Day***") that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (New York City time) on any Base Rate Term SOFR Determination Day, the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate SOFR Determination Day.

"***Term SOFR Adjustment***" means, for any calculation, a percentage per annum equal to 0.10%.

"***Term SOFR Administrator***" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

"***Term SOFR Borrowing***" means, as to any Borrowing, the Term SOFR Loans comprising such Borrowing.

"***Term SOFR Loan***" means a Loan bearing interest based on Adjusted Term SOFR.

"***Term SOFR Reference Rate***" means the forward-looking term rate based on SOFR.

[***] = Certain information has been excluded from this exhibit because it is both not material and would likely cause harm to the company if publicly disclosed.

"***Texas Capital Bank***" means Texas Capital Bank and its successors and assigns.

"***Tier One Account Debtor***" means Windmar PV Energy, Inc., Windmar Home Florida, Inc. and Power Solar, LLC.

"***Tier Two Account Debtor***" means Infinity Energy, Inc.

"***Trade Date***" has the meaning set forth in ***Section 11.8(g)***.

"***Transactions***" means, collectively, the execution, delivery and performance by the Loan Parties of this Agreement, the other Loan Documents, the effectiveness of the Master Intercompany Purchase Agreement, the borrowing of Loans and other credit extensions, the use of the proceeds thereof and the issuance of Letters of Credit hereunder, and the payment of all fees and expenses payable in connection with the foregoing.

"***Type***" means, with respect to a Loan, refers to whether such Loan is a Base Rate Loan or a Term SOFR Loan, and, with respect to a Borrowing, refers to whether such Borrowing is a Base Rate Borrowing or a Term SOFR Borrowing.

"***UCC***" means *Chapters 1* through *11* of the Texas Business and Commerce Code as in effect from time to time or the Uniform Commercial Code of any other state the laws of which are required to be applied in connection with the issue of perfection of security interests.

"***UK Financial Institution***" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"***UK Resolution Authority***" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"***Ultimate Parent***" means Sunnova Energy International, a Delaware corporation.

"***Unadjusted Benchmark Replacement***" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"***Unfunded Pension Liability***" of any Plan shall mean the amount, if any, by which the value of the accumulated plan benefits under the Plan, determined on a plan termination basis in accordance with actuarial assumptions at such time consistent with those prescribed by the PBGC for purposes of Section 4044 of ERISA, exceeds the fair market value of all Plan assets allocable to such liabilities under Title IV of ERISA (excluding any accrued but unpaid contributions).

"***Unreimbursed Amount***" has the meaning set forth in ***Section 2.2(c)(i)***.

"***Unrestricted Cash***" means cash or Cash Equivalents of the Parent and its Subsidiaries that would not appear as "restricted" on a consolidated balance sheet of Parent and its Subsidiaries.

"***U.S.***" or "***United States***" means the United States of America.

[***] = Certain information has been excluded from this exhibit because it is both not material and would likely cause harm to the company if publicly disclosed.

"***U.S. Government Securities Business Day***" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"***U.S. Person***" means any Person that is a "*United States person*" as defined in *Section 7701(a)(30)* of the Code.

"***U.S. Special Resolution Regimes***" has the meaning set forth in ***Section 11.30***.

"***U.S. Tax Compliance Certificate***" has the meaning specified in ***Section 3.4(g)(ii)(B)(3)***.

"***Utilization***" means, as of any date, the amount, expressed as a percentage, determined by dividing (a) the Revolving Credit Exposure of all Lenders on such date by (b) the Commitments of the Lenders on such date.

"***Warehouse Operating System***" means, with respect to any warehouse, an electronic inventory reporting system maintained by a third party operator that records the warehouse location, serial number, SKU or other identifier of inventory at such warehouse and the owner thereof.

"***Withholding Agent***" means each of the Loan Parties and Administrative Agent.

"***Write-Down and Conversion Powers***" means (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.2 **Accounting Matters.**

(a) **Generally**. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the audited financial statements described in ***Section 5.2***, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant contained herein, Debt of Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 on financial liabilities shall be disregarded.

(b) **Changes in GAAP**. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth herein, and either Borrower or the Required Lenders shall so request, Administrative Agent, Lenders and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); *provided* that, until so amended, (i) such ratio or requirement shall continue to

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be computed in accordance with GAAP prior to such change therein and (ii) Borrower shall provide to Administrative Agent and Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

Section 1.3 **ERISA Matters**. If, after the date hereof, there shall occur, with respect to ERISA, the adoption of any applicable Law, rule, or regulation, or any change therein, or any change in the interpretation or administration thereof by the PBGC or any other Governmental Authority, then either Borrower or the Required Lenders may request a modification to this Agreement solely to preserve the original intent of this Agreement with respect to the provisions hereof applicable to ERISA, and the parties to this Agreement shall negotiate in good faith to complete such modification.

Section 1.4 **Letter of Credit Amounts**. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; *provided*, *however*, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

Section 1.5 **Other Definitional Provisions**. All definitions contained in this Agreement are equally applicable to the singular and plural forms of the terms defined. The words "hereof", "herein", and "hereunder" and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified, all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear. Terms used herein that are defined in the UCC, unless otherwise defined herein, shall have the meanings specified in the UCC. Any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document). Any reference to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such Law and any reference to any Law or regulation shall, unless otherwise specified, refer to such Law or regulation as amended, modified or supplemented from time to time. Words denoting gender shall be construed to include the masculine, feminine and neuter, when such construction is appropriate; specific enumeration shall not exclude the general but shall be construed as cumulative; the word "***or***" is not exclusive; the word "***including***" (in its various forms) means "***including, without limitation***"; in the computation of periods of time, the word "***from***" means "***from and including***" and the words "***to***" and "***until***" mean "***to but excluding***"; and all references to money refer to the legal currency of the United States of America.

Section 1.6 **Times of Day**. Unless otherwise specified, all references herein to times of day shall be references to central time (daylight or standard, as applicable).

Section 1.7 **Other Loan Documents**. The other Loan Documents, including the Security Documents, contain representations, warranties, covenants, defaults and other provisions that are in addition to and not limited by, or a limitation of, similar provisions of this Agreement. Such provisions in such other Loan Documents may be different or more expansive than similar provisions of this Agreement and neither such differences nor such more expansive provisions shall be construed as a conflict.

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Section 1.8 **Divisions**. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware Law (or any comparable event under a different jurisdiction's Laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

Section 1.9 **Rates**. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Base Rate, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including the selection of such rate and any related spread or other adjustment or whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Base Rate, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of the Base Rate, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Loan Parties. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Base Rate, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR or any other Benchmark, or any component definition thereof or rates referred to in the definition thereof, in each case, pursuant to the terms of this Agreement, and shall have no liability to any Loan Party, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 1.10 **Rounding**. Any financial ratios required to be maintained by Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

Section 1.11 **Manager**. Unless otherwise specified, all references herein to the Borrower and/or any other Loan Parties taking any affirmative action or providing reports or notices shall be performed by the Manager, as the agent of the Borrower and/or such other Loan Parties pursuant to the Management Services Agreement, *provided* that such delegation shall not limit Borrower's or any other Loan Party's obligation to comply with such provision or for any liability or Default that may arise from the failure to perform or comply with such obligation under this Agreement or the other Loan Documents and if any action taken by the Manager for or on behalf of any Loan Party during the term of this Agreement would constitute a breach of any covenant set forth in this Agreement if such action were taken directly by such Loan Party, then such breach shall, subject to applicable grace periods, constitute a Default or Event of Default hereunder, as applicable. In addition, the representations and warranties made by the Loan Parties in *Sections 5.1 (Entity Existence)*, *5.4 (Operation of Business)*, *5.15 (Compliance with Laws)*, *5.16 (Inventory)*, *5.18 (Environmental Matters)*, *5.20 (Anti-Corruption Laws; Sanctions; Etc.)*, *5.21 (PATRIOT Act)* and *5.24 (Labor Matters)* shall be deemed to apply to, and to be made with respect to, the Manager. With respect to any representations and warranties, covenants,

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Defaults or Events of Default under any Loan Document qualified by knowledge of any Loan Party, the knowledge of the Manager shall be deemed to constitute knowledge of any applicable Loan Party.

ARTICLE 2.

THE COMMITMENTS AND CREDIT EXTENSIONS

Section 2.1 **The Loans**.

(a) **Revolving Credit Borrowings**. Subject to the terms and conditions of this Agreement, each Lender severally agrees to make one or more revolving credit loans (each such loan, a "***Revolving Credit Loan***") to Borrower from time to time from the Closing Date until the Maturity Date in an aggregate principal amount for such Lender at any time outstanding up to but not exceeding the amount of such Lender's Commitment, *provided* that the Lenders shall have no obligation to make any Revolving Credit Loan if the Revolving Credit Exposure of all Lenders after giving effect to such Revolving Credit Loan would exceed the Line Cap. Subject to the foregoing limitations, and the other terms and provisions of this Agreement, Borrower may borrow, repay, and reborrow Revolving Credit Loans hereunder.

(b) **Borrowing Procedure**. Each Borrowing shall occur only on a Settlement Date and shall be made upon Borrower's irrevocable notice to Administrative Agent pursuant to an appropriately completed Borrowing Request signed by a Responsible Officer of Borrower. Notwithstanding anything to the contrary herein, Borrower shall not be permitted to make more than one (1) Borrowing Request in any calendar week. Unless Administrative Agent otherwise agrees in its sole discretion, each Borrowing shall be in a principal amount of not less than $[***] or a whole multiple of $[***] in excess thereof; *provided* that a Borrowing not complying with the foregoing may be in an amount equal to Availability immediately prior to such Borrowing. Each Borrowing Request shall specify (x) the requested date of the Borrowing (which, unless Administrative Agent shall otherwise agree in its sole discretion, shall be a Settlement Date) and (y) the principal amount of Borrowings to be borrowed. Notwithstanding anything herein to the contrary, subject to the availability thereof and ***Sections 3.2*** and ***3.3***, all Borrowings shall, unless otherwise elected by the Borrower, be made as Term SOFR Borrowings.

(c) **Funding**. No later than the following Business Day following Administrative Agent's receipt of a Borrowing Request and all related Borrowing Base Reporting Deliverables, Administrative Agent shall notify each Lender of the applicable Settlement Date and the amount of its Applicable Percentage of the applicable Borrowing to be funded on such Settlement Date. In the case of a Borrowing, each Lender shall make the amount of its Loan available to Administrative Agent in immediately available funds at Administrative Agent's Principal Office not later than 1:00 p.m. on the applicable Settlement Date. Upon satisfaction of the applicable conditions set forth in ***Section 4.2*** (and, if such Borrowing is the initial Credit Extension, ***Section 4.1***), Administrative Agent shall disburse all funds so received by Administrative Agent in accordance with the immediately succeeding sentence. On the applicable Settlement Date the proceeds of such Borrowing, *first*, shall be applied to discharge any of Borrower's obligations under clauses first through ninth under ***Section 2.4(d)*** to the extent funds in the Collection Account applied in accordance with such ***Section 2.4(d)*** were insufficient to discharge such obligations, and *second*, shall be made available to Borrower by crediting the Funding Account with the remaining amount of such funds.

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(d) **Notifications**. Administrative Agent shall promptly notify Borrower and Lenders of the interest rate applicable to any Interest Period for Term SOFR Borrowings upon determination of such interest rate.

Section 2.2 **Letters of Credit**.

(a) **The Letter of Credit Commitment**.

(i) Subject to the terms and conditions set forth herein, (A) L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this ***Section 2.2***, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of Borrower, and to amend Letters of Credit previously issued by it, in accordance with ***subsection (b)*** below, and (2) to honor drawings under the Letters of Credit; and (B) Lenders severally agree to participate in Letters of Credit issued for the account of Borrower and any drawings thereunder; *provided* that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Revolving Credit Exposure of all Lenders shall not exceed the aggregate amount of the Commitments of the Lenders, (y) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly Borrower may, during the period from the Closing Date until the Letter of Credit Expiration Date, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(ii) L/C Issuer shall not issue any Letter of Credit, if:

(A) subject to ***Section 2.2(b)(iii)***, the expiry date of the requested Letter of Credit would occur more than twelve (12) months after the date of issuance, unless the Required Lenders have approved such expiry date; or

(B) the expiry date of the requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all Lenders have approved such expiry date.

(iii) L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain L/C Issuer from issuing the Letter of Credit, or any Law applicable to L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over L/C Issuer shall prohibit, or request that L/C Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon L/C Issuer with respect to the Letter of Credit any restriction, reserve or capital requirement (for which L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon L/C

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Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which L/C Issuer in good faith deems material to it;

(B) the issuance of the Letter of Credit would violate one or more policies of L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by Administrative Agent and L/C Issuer, the Letter of Credit is in an initial stated amount less than $[***];

(D) the Letter of Credit is to be denominated in a currency other than Dollars;

(E) any Lender is at that time a Defaulting Lender, unless L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to L/C Issuer (in its sole discretion) with Borrower or such Lender to eliminate L/C Issuer's actual or potential Fronting Exposure (after giving effect to ***Section 11.22(a)(iv)***) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion;

(F) the conditions set forth in **Section 4.2** with respect to such issuance are not satisfied; or

(G) the Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.

(iv) L/C Issuer shall not amend any Letter of Credit if L/C Issuer would not be permitted at such time to issue the Letter of Credit in its amended form under the terms hereof.

(v) L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) L/C Issuer would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(vi) L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and L/C Issuer shall have all of the benefits and immunities (A) provided to Administrative Agent in ***Article 10*** with respect to any acts taken or omissions suffered by L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in ***Article 10*** included L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to L/C Issuer.

(b) **Procedures for Issuance and Amendment of Letters of Credit**.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of Borrower delivered to L/C Issuer (with a copy to Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight

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courier, by electronic transmission using the system provided by L/C Issuer, by personal delivery or by any other means acceptable to L/C Issuer. Such Letter of Credit Application must be received by L/C Issuer and Administrative Agent not later than 11:00 a.m. at least two (2) Business Days (or such later date and time as Administrative Agent and L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to L/C Issuer (~~A~~1) the Letter of Credit to be amended; (~~B~~)2) the proposed date of amendment thereof (which shall be a Business Day); (~~C~~3) the nature of the proposed amendment; and (~~D~~4) such other matters as L/C Issuer may require. Additionally, Borrower shall furnish to L/C Issuer and Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as L/C Issuer or Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, L/C Issuer will confirm with Administrative Agent (by telephone or in writing) that Administrative Agent has received a copy of such Letter of Credit Application from Borrower and, if not, L/C Issuer will provide Administrative Agent with a copy thereof. Unless L/C Issuer has received written notice from any Lender, Administrative Agent or any Loan Party, at least one (1) Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in ***Article 4*** shall not then be satisfied, then, subject to the terms and conditions hereof, L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of Borrower or enter into the applicable amendment, as the case may be, in each case in accordance with L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit.

(iii) If Borrower so requests in any applicable Letter of Credit Application, L/C Issuer may, in its sole discretion, agree to issue an Auto-Extension Letter of Credit; *provided* that any such Auto-Extension Letter of Credit must permit L/C Issuer to prevent any such extension at least once in each 12-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "***Non-Extension Notice Date***") in each such 12-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by L/C Issuer, Borrower shall not be required to make a specific request to L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; *provided, however*, that L/C Issuer shall

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not permit any such extension (and the terms of the Auto-Extension Letter of Credit may permit L/C Issuer to refuse to extend such Letter of Credit) if (A) L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of ***clause (ii)*** or ***(iii)*** of ***Section 2.2(a)*** or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven (7) Business Days before the Non-Extension Notice Date (1) from Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from Administrative Agent, any Lender or Borrower that one or more of the applicable conditions specified in ***Section 4.2*** is not then satisfied, and in each such case directing L/C Issuer not to permit such extension.

(iv) ~~(iii)~~ Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, L/C Issuer will also deliver to Borrower and Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) **Drawings and Reimbursements; Funding of Participations**.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, L/C Issuer shall notify Borrower and Administrative Agent thereof. Not later than 11:00 a.m. on the date of any payment by L/C Issuer under a Letter of Credit (each such date, an "***Honor Date***"), Borrower shall reimburse L/C Issuer through Administrative Agent in an amount equal to the amount of such drawing. If such Honor Date is not a Payment Date and Borrower otherwise fails to so reimburse L/C Issuer by such time, Administrative Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (the "***Unreimbursed Amount***"), and the amount of such Lender's Applicable Percentage thereof. In such event, Borrower shall be deemed to have requested a Borrowing to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, subject to the amount of Availability and the conditions set forth in ***Section 4.2***. Any notice given by L/C Issuer or Administrative Agent pursuant to this ***Section 2.2(c)(i)*** may be given by telephone if immediately confirmed in writing; *provided* that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender shall upon any notice pursuant to ***Section 2.2(c)(i)*** make funds available (and Administrative Agent may apply Cash Collateral provided for this purpose) for the account of L/C Issuer at Administrative Agent's Principal Office in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by Administrative Agent, whereupon, subject to the provisions of ***Section 2.2(c)(iii)***, each Lender that so makes funds available shall be deemed to have made a Revolving Credit Loan (or, if the conditions set forth in ***Section 4.2*** are not satisfied, an L/C Borrowing as further described in ***clause (iii)*** below) to Borrower in such amount. Administrative Agent shall remit the funds so received to L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Borrowing because the conditions set forth in ***Section 4.2*** cannot be satisfied or for any other reason, Borrower shall be deemed to have incurred from L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount

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that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Interest Rate. In such event, each Lender's payment to Administrative Agent for the account of L/C Issuer pursuant to ***Section 2.2(c)(ii)*** shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this ***Section 2.2***.

(iv) Until each Lender funds its Revolving Credit Loan or L/C Advance pursuant to this ***Section 2.2(c)*** to reimburse L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of L/C Issuer.

(v) Each Lender's obligation to make Revolving Credit Loans or L/C Advances to reimburse L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this ***Section 2.2(c)***, shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against L/C Issuer, Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; *provided*, *however*, that each Lender's obligation to make Revolving Credit Loans (but not its obligation to fund its Applicable Percentage of L/C Advances) pursuant to this ***Section 2.2(c)*** is subject to the conditions set forth in ***Section 4.2***. No such making of an L/C Advance shall relieve or otherwise impair the obligation of Borrower to reimburse L/C Issuer for the amount of any payment made by L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to Administrative Agent for the account of L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this ***Section 2.2(c)*** by the time specified in ***Section 2.2(c)(ii),*** then, without limiting the other provisions of this Agreement, L/C Issuer shall be entitled to recover from such Lender (acting through Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by L/C Issuer in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Credit Loan included in the relevant Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of L/C Issuer submitted to any Lender (through Administrative Agent) with respect to any amounts owing under this ***clause (vi)*** shall be conclusive absent manifest error.

(d) **Repayment of Participations**.

(i) At any time after L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with ***Section 2.2(c)***, if Administrative Agent receives for the account of L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from Borrower or otherwise, including proceeds of Cash Collateral applied thereto by Administrative Agent), Administrative Agent will distribute to such Lender its

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Applicable Percentage thereof in the same funds as those received by Administrative Agent.

(ii) If any payment received by Administrative Agent for the account of L/C Issuer pursuant to ***Section 2.2(c)(i)*** is required to be returned under any of the circumstances described in ***Section 11.24*** (including pursuant to any settlement entered into by L/C Issuer in its discretion), each Lender shall pay to Administrative Agent for the account of L/C Issuer its Applicable Percentage thereof on demand of Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of Lenders under this ***clause (ii)*** shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) **Obligations Absolute**. The obligation of Borrower to reimburse L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by L/C Issuer of any requirement that exists for L/C Issuer's protection and not the protection of Borrower or any waiver by L/C Issuer which does not in fact materially prejudice Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC or the ISP, as applicable;

(vii) any payment by L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter

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of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, Borrower or any Subsidiary.

Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with Borrower's instructions or other irregularity, Borrower will immediately notify L/C Issuer. Borrower shall be conclusively deemed to have waived any such claim against L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) **Role of L/C Issuer**. Each Lender and Borrower agree that, in paying any drawing under a Letter of Credit, L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of L/C Issuer, Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Required Lenders; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct on the part of such Person as found in a final and non-appealable decision of a court of competent jurisdiction; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. Borrower hereby assumes all risks of, and none of L/C Issuer, Administrative Agent, or any Lender or any of their respective Related Parties shall have any liability for, the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; *provided*, *however*, that this assumption is not intended to, and shall not, preclude Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of L/C Issuer, Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of L/C Issuer shall be liable or responsible for any of the matters described in ***clauses (i)*** through ***(viii)*** of ***Section 2.2(e);*** *provided*, *however*, that anything in such clauses to the contrary notwithstanding, Borrower may have a claim against L/C Issuer, and L/C Issuer may be liable to Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by Borrower which Borrower proves were directly caused by L/C Issuer's willful misconduct or gross negligence or L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit as found in a final and non-appealable decision of a court of competent jurisdiction. In furtherance and not in limitation of the foregoing, L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

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(g) **Applicability of ISP; Limitation of Liability**. Unless otherwise expressly agreed by L/C Issuer and Borrower when a Letter of Credit is issued, the rules of the ISP shall apply to each standby Letter of Credit. Notwithstanding the foregoing, L/C Issuer shall not be responsible to Borrower for, and L/C Issuer's rights and remedies against Borrower shall not be impaired by, any action or inaction of L/C Issuer required or permitted under any Law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where L/C Issuer or the beneficiary is located, the practice stated in the ISP or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit or other Issuer Document chooses such Law or practice.

(h) **Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer**. Borrower shall pay directly to L/C Issuer for its own account a fronting fee with respect to each standby Letter of Credit, at the rate per annum separately agreed between Borrower and L/C Issuer, computed on the daily amount available to be drawn under such Letter of Credit and payable on a quarterly basis in arrears. Such fronting fee shall be due and payable on the first Business Day of each calendar month, commencing with the earlier of (i) May 1, 2024 or (y) the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with ***Section 1.4***. In addition, Borrower shall pay directly to L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(i) **Conflict with Issuer Documents**. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

Section 2.3 **Fees**.

(a) **Fees**. Borrower agrees to pay to Administrative Agent and Arranger, for the account of Administrative Agent, Arranger and each Lender, as applicable, fees, in the amounts and on the dates set forth in the Fee Letter.

(b) **Letter of Credit Fees**. Borrower shall pay to Administrative Agent for the account of each Lender in accordance, subject to ***Section 11.22***, with its Applicable Percentage a Letter of Credit fee (the "***Letter of Credit Fee***") for each standby Letter of Credit equal to the Applicable Margin for Term SOFR Loans times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with ***Section 1.4***. Letter of Credit Fees for each standby Letter of Credit shall be (i) due and payable in arrears on the first Business Day of each calendar month, commencing with the earlier of (x) May 1, 2024 or (y) the first such date to occur after the issuance or renewal of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand and (ii) computed on a monthly basis in arrears. Notwithstanding anything to the contrary contained herein while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Interest Rate.

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(c) **Commitment Fees**. Borrower agrees to pay to Administrative Agent for the account of each Lender in accordance, subject to ***Section 11.22***, with its Applicable Percentage a commitment fee ("***Commitment Fees***") on the daily average unused amount of the Commitment of such Lender for the period from and including the date of this Agreement to and including the Maturity Date for the Revolving Credit Facility (including at any time during which one or more of the conditions in ***Article 4*** is not met), at a rate equal to [***]% per annum. For the purpose of calculating the Commitment Fees hereunder, the Commitment of each Lender shall be deemed utilized by the amount of all outstanding Revolving Credit Loans and L/C Obligations owing to such Lender whether directly or by participation, but excluding, for the avoidance of doubt, the amount of any outstanding Protective Advance. Accrued Commitment Fees shall be payable monthly in arrears on the first Business Day of each calendar month, commencing with May 1, 2024 and for each calendar month thereafter during the term of this Agreement, and on the Maturity Date for the Revolving Credit Facility.

Section 2.4 **Payments Generally; Administrative Agent's Clawback**.

(a) **General**. All payments of principal, interest, and other amounts to be made by Borrower under this Agreement and the other Loan Documents shall be made to Administrative Agent for the account of Administrative Agent or L/C Issuer or the pro rata accounts of the applicable Lenders, as applicable, at the Principal Office in Dollars and immediately available funds, without setoff, deduction, or counterclaim, and free and clear of all Taxes at the time and in the manner provided herein. Payments by check or draft shall not constitute payment in immediately available funds until the required amount is actually received by Administrative Agent in full. Payments in immediately available funds received by Administrative Agent in the place designated for payment on a Business Day prior to 11:00 a.m. at such place of payment shall be credited prior to the close of business on the Business Day received, while payments received by Administrative Agent on a day other than a Business Day or after 11:00 a.m. on a Business Day shall not be credited until the next succeeding Business Day. If any payment of principal or interest required under the Loan Documents shall become due and payable on a day other than a Business Day, then such payment shall be made on the next succeeding Business Day. Any such extension of time for payment shall be included in computing interest which has accrued and shall be payable in connection with such payment. The Borrower hereby irrevocably authorizes Administrative Agent to (i) charge any account of Borrower maintained with Administrative Agent for each payment of principal, interest and fees as it becomes due hereunder and (ii) apply amounts credited to the Collection Account and/or Liquidity Reserve Account to the payment of principal, interest and fees to the extent not otherwise paid by Borrower as such amounts become due hereunder, including to the payment of interest on its due date.

(b) **Funding by Lenders; Presumption by Administrative Agent**. Unless Administrative Agent shall have received notice from a Lender that such Lender will not make available to Administrative Agent such Lender's share of a Borrowing, Administrative Agent may assume that such Lender has made such share available on such date in accordance with this Agreement and may, in reliance upon such assumption, make available to Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to Administrative Agent, then the applicable Lender and Borrower severally agree to pay to Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to Borrower to but excluding the date of payment to Administrative Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank

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compensation, and (ii) in the case of a payment to be made by Borrower, the interest rate applicable to the applicable Borrowing. If Borrower and such Lender shall pay such interest to Administrative Agent for the same or an overlapping period, Administrative Agent shall promptly remit to Borrower the amount of such interest paid by Borrower for such period. If such Lender pays its share of the applicable Borrowing to Administrative Agent, then the amount so paid shall constitute such Lender's Loan. Any payment by Borrower shall be without prejudice to any claim Borrower may have against a Lender that shall have failed to make such payment to Administrative Agent.

(c) **Payments by Borrower; Presumption by Administrative Agent**. Unless Administrative Agent shall have received notice from Borrower prior to the date on which any payment is due to Administrative Agent for the account of L/C Issuer or the applicable Lenders hereunder that Borrower will not make such payment, Administrative Agent may assume that Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to L/C Issuer or the applicable Lenders the amount due. In such event, if Borrower has not in fact made such payment, then each of L/C Issuer and the applicable Lenders, as applicable, severally agrees to repay to Administrative Agent forthwith on demand the amount so distributed to L/C Issuer or such Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation.

(d) **Cash Dominion**. On each Payment Date, unless an Event of Default shall have occurred and is continuing and Administrative Agent or the Required Lenders shall have elected to have the provisions of ***Section 9.3*** apply, all funds credited to the Collection Account together with any Liquidity Reserve Account Surplus shall be applied by Administrative Agent to the Obligations on such Payment Date (or if an Event of Default shall have occurred and is continuing, on any date or dates selected by Administrative Agent in its sole discretion and whether or not such Obligations shall have, by their terms, matured) as follows:

(i) ***first (Protective Advances)***, to prepay any Protective Advances that may be outstanding and all accrued and unpaid interest thereon;

(ii) ***second (Fees)***, *first*, ratably to the payment of fees payable in accordance with the Fee Letter and *second*, to the payment of out-of-pocket expenses and indemnities of the Administrative Agent incurred and not reimbursed in connection with its obligations and duties under this Agreement or any other Loan Document;

(iii) ***third (Overadvance)***, if an Overadvance exists, to prepay outstanding Loans and/or to Cash Collateralize Letters of Credit, in an amount equal to the amount necessary to eliminate such Overadvance;

(iv) ***fourth (All Other Obligations)***, to the ratable payment of all other Obligations that are past due and/or payable on such date;

(v) ***fifth (Reserves)***, if there exists a Liquidity Reserve Account Shortfall, to the Liquidity Reserve Account until the amount on deposit in the Liquidity Reserve Account shall equal the Required Liquidity Reserve Account Balance;

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(vi) ***sixth (Bank Product Obligations)***, to the payment to each Bank Product Provider under each Bank Product Agreement, the payment of all amounts which are due and payable by any Loan Party to such Bank Product Provider on such date (other than fees, expenses, any Hedge Termination Value payment, indemnification payments, tax payments or other similar amounts), pursuant to the terms of the applicable Bank Product Agreement (net of all amounts which are due and payable by such Bank Product Provider to such Loan Party on such date pursuant to the terms of such Bank Product Agreement), in each case to the extent the Administrative Agent has been notified of such amounts in writing not less than five (5) Business Days prior to the applicable Payment Date;

(vii) ***seventh (Hedge Termination Value and Other Payments)***, to the Administrative Agent for the account of the Bank Product Provider under each Bank Product Agreement, all Hedge Termination Value payments then due and payable, together with and all fees, expenses, indemnification payments, tax payments or other amounts (to the extent not previously paid hereunder) which are due and payable by any Loan Party to such Bank Product Provider on such date, pursuant to the terms of the applicable Bank Product Agreement, in each case to the extent the Administrative Agent has been notified of such amounts in writing not less than five (5) Business Days prior to the applicable Payment Date;

(viii) ***eighth (Manager Payments)***, to the Manager for payment of all fees and expenses due and payable under the Management Services Agreement (including in respect of indemnification payments, tax payments or other similar amounts);

(ix) ***ninth (Remainder)***, all Collections remaining in the Collection Account after giving effect to the preceding applications in this ***Section 2.4(d)***, to the Funding Account for disbursement in accordance with Borrower's direction; provided, however, Administrative Agent need not apply or give credit for any item included in such sums until one Business Day after the final collection thereof; provided, further, however, that Administrative Agent's failure to so apply any such sums shall not be a waiver of Administrative Agent's right to so apply such sums or any other sums at any time.

(e) **Payment of Interest and Fees**. On the first Business Day of each calendar month, unless an Event of Default shall have occurred and is continuing and Administrative Agent or the Required Lenders shall have elected to have the provisions of ***Section 9.3*** apply, the Borrower shall pay all then accrued (i) Commitment Fees, (ii) Letter of Credit Fees, (iii) interest due and payable and (iv) any other fees due and payable under ***Sections 2.2(h)***, ***2.3(b)***, ***2.3(c)*** or ***2.7(e)*** (if any); provided that if an Event of Default shall have occurred and is continuing, such amounts shall be paid on any date or dates selected by Administrative Agent in its sole discretion and whether or not such Obligations shall have, by their terms, matured.

(f) Unless the Administrative Agent determines otherwise in its sole discretion (including, without limitation, by issuing a Loan hereunder after notifying the Borrower and the Lenders, as applicable, to make any payments described in ***clauses (d)*** and ***(e)*** of this ***Section 2.4*** to the extent there is sufficient Availability after giving effect to such Loan), the payments described in ***clauses (d)*** and ***(e)*** of this ***Section 2.4*** shall be made first out of funds credited to the Collection Account and second out of funds credited to the Liquidity Reserve Account (up to the amount of any Liquidity Reserve Account Surplus). Notwithstanding anything herein to the contrary, to the extent any

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funds credited to the Collection Account constitute Net Cash Proceeds from the incurrence of any Debt not permitted by ***Section 7.1***, the application of such Net Cash Proceeds shall be subject to ***Section 2.8(d)***.

Section 2.5 **Evidence of Debt**.

(a) The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by Administrative Agent in the ordinary course of business; *provided* that such Lender or Administrative Agent may, in addition, request that such Loans be evidenced by the Notes. The Credit Extensions made by L/C Issuer shall be evidenced by one or more accounts or records maintained by L/C Issuer and by Administrative Agent in the ordinary course of business. The accounts or records maintained by Administrative Agent, L/C Issuer, and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made to Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by L/C Issuer or any Lender and the accounts and records of Administrative Agent in respect of such matters, the accounts and records of Administrative Agent shall control in the absence of manifest error.

(b) In addition to the accounts and records referred to in ***subsection (a)*** above, each Lender and Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit. In the event of any conflict between the accounts and records maintained by Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of Administrative Agent shall control in the absence of manifest error.

Section 2.6 **Cash Collateral**.

(a) **Certain Credit Support Events**. If (i) L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, (ii) as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, (iii) Borrower shall be required to provide Cash Collateral pursuant to ***Section 2.8(c)*** or ***Section 9.2***, or (iv) there shall exist a Lender that is a Defaulting Lender, Borrower shall immediately (in the case of ***clause (iii)*** above) or within one (1) Business Day (in all other cases) following any request by Administrative Agent or L/C Issuer, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to ***clause (iv)*** above, after giving effect to ***Section 11.22(a)(iv)*** and any Cash Collateral provided by the Defaulting Lender).

(b) **Grant of Security Interest**. Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) Administrative Agent, for the benefit of Administrative Agent, L/C Issuer and Lenders, and agrees to maintain, a first priority security interest in all such Cash Collateral and each Deposit Account in which such Cash Collateral is deposited, and all other Property so provided as Collateral pursuant hereto, and in all proceeds of the foregoing (including all interest accruing thereon, if any), all as security for the obligations to which such Cash Collateral may be applied pursuant to ***Section 2.6(c)***. If at any time Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than Administrative Agent or L/C Issuer as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral

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Amount, Borrower will, promptly upon demand by Administrative Agent, pay or provide to Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in one or more blocked, non-interest bearing Deposit Accounts at Texas Capital Bank. Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) **Application**. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this ***Section 2.6*** or ***Sections 2.2***, ***2.8(c)***, ***9.2*** or ***11.22*** in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such Property as may otherwise be provided for herein.

(d) **Release**. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto, including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with ***Section 11.8(b)(vii)***) or (ii) the determination by Administrative Agent and L/C Issuer that there exists excess Cash Collateral; *provided*, *however*, (x) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, and (y) the Person providing Cash Collateral and L/C Issuer may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

Section 2.7 **Interest; Payment Terms**.

(a) **Revolving Credit Loans – Payment of Principal and Interest; Revolving Nature**. The unpaid principal amount of all Revolving Credit Loans shall, subject to the following sentence and ***Section 2.7(e)***, bear interest at the applicable Interest Rate for each Interest Period. If at any time such rate of interest would exceed the Maximum Rate but for the provisions hereof limiting interest to the Maximum Rate, then any subsequent reduction shall not reduce the rate of interest on the Revolving Credit Loans below the Maximum Rate until the aggregate amount of interest accrued on the Revolving Credit Loans equals the aggregate amount of interest which would have accrued on the Revolving Credit Loans if the interest rate had not been limited by the Maximum Rate. All accrued but unpaid interest on the principal balance of the Revolving Credit Loans shall be payable on the first Business Day of each calendar month and on the Maturity Date for the Revolving Credit Facility, *provided* that interest accruing at the Default Interest Rate pursuant to ***Section 2.7(e)*** shall be payable on demand and following any such demand the Administrative Agent shall be entitled to cause such amount to be paid from funds on deposit in the Collection Account. The then Outstanding Amount of the Revolving Credit Loans and all accrued but unpaid interest thereon shall be due and payable on the Maturity Date. The unpaid principal balance of the Revolving Credit Loans at any time shall be the total amount advanced hereunder by Lenders less the amount of principal payments made thereon by or for Borrower, which balance may be endorsed on the Revolving Credit Notes from time to time by Lenders or otherwise noted in Lenders' and/or Administrative Agent's records, which notations shall be, absent manifest error, conclusive evidence of the amounts owing hereunder from time to time.

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(b) **Computation Period**. Interest on the Loans and all other amounts payable by Borrower hereunder on a per annum basis shall be computed on the basis of a 360-day year and the actual number of days elapsed (including the first day but excluding the last day) unless such calculation would result in a usurious rate or to the extent such Loan bears interest based upon the Base Rate, in which case interest shall be calculated on the basis of a 365-day year or 366-day year, as the case may be. In computing the number of days during which interest accrues, the day on which funds are initially advanced shall be included regardless of the time of day such advance is made, and the day on which funds are repaid shall be included unless repayment is credited prior to the close of business on the Business Day received. Each determination by Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) **Unconditional Payment**. Borrower is and shall be obligated to pay all principal, interest and any and all other amounts which become payable under any of the Loan Documents absolutely and unconditionally and without any abatement, postponement, diminution or deduction whatsoever and without any reduction for counterclaim or setoff whatsoever. If at any time any payment received by Administrative Agent hereunder shall be deemed by a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under any Debtor Relief Law, then the obligation to make such payment shall survive any cancellation or satisfaction of the Obligations under the Loan Documents and shall not be discharged or satisfied with any prior payment thereof or cancellation of such Obligations, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof, and such payment shall be immediately due and payable upon demand.

(d) **Partial or Incomplete Payments**. Subject to ***Section 9.3***, if at any time insufficient funds are received by and available to Administrative Agent to pay fully all amounts of principal, Protective Advances, L/C Borrowings, interest, fees and other amounts then due hereunder, such funds shall be applied (i) first, to pay principal and interest in respect of Protective Advances, (ii) second, to pay interest, fees and other amounts then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest, fees and other amounts then due to such parties, and (iii) third, to pay principal and L/C Borrowings then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal or L/C Borrowings, as applicable, then due to such parties. The immediately preceding sentence shall not apply to payments made from funds credited to the Collection Account or the Liquidity Reserve Account, as applicable, in accordance with ***Section 2.4(d)***. Remittances in payment of any part of the Obligations under the Loan Documents other than in the required amount in immediately available funds at the place where such Obligations are payable shall not, regardless of any receipt or credit issued therefor, constitute payment until the required amount is actually received by Administrative Agent in full in accordance herewith and shall be made and accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by Administrative Agent of any payment in an amount less than the full amount then due shall be deemed an acceptance on account only, and the failure to pay the entire amount then due shall be and continue to be an Event of Default to the extent provided in ***Section 9.1(a)***.

(e) **Default Interest Rate**. For so long as any Event of Default exists, regardless of whether or not there has been an acceleration of the Loans, and at all times after the maturity of the Loans (whether by acceleration or otherwise), and in addition to all other rights and remedies of Administrative Agent or Lenders hereunder, (i) if a Specified Event of Default shall have occurred and is continuing, then immediately and

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automatically and without any further action or (ii) if an Event of Default (other than a Specified Event of Default) is continuing, then upon the election of the Required Lenders and notice to Borrower, in the case of both clause (i) and clause (ii), (A) interest shall accrue on the Outstanding Amount of the Loans at the Default Interest Rate and (B) interest shall accrue on all other outstanding Obligations at the Default Interest Rate, and, in each case, such accrued interest shall be immediately due and payable. All such interest shall continue to accrue on the Obligations after the filing by or against the Borrower of any petition seeking any relief in bankruptcy or under any Debtor Relief Law. Borrower acknowledges that it would be extremely difficult or impracticable to determine Administrative Agent's or Lenders' actual damages resulting from any late payment or Event of Default, and such accrued interest are reasonable estimates of those damages and do not constitute a penalty.

(f) **Term SOFR Conforming Changes**. In connection with the use or administration of Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time without the consent of any Lender and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

Section 2.8 **Voluntary Termination or Reduction of Commitments; Prepayments**.

(a) **Voluntary Termination or Reduction of Commitments**. Borrower may, upon written notice to Administrative Agent, terminate the Commitments, or from time to time permanently reduce the Commitments; *provided* that (i) any such notice shall be received by Administrative Agent not later than 11:00 a.m. three (3) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $[***] or any whole multiple of $[***] in excess thereof, (iii) Borrower shall not terminate or reduce the Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Revolving Credit Exposure of all Lenders would exceed the aggregate amount of the Commitments of the Lenders, and (iv) if, after giving effect to any reduction of the Commitments, the Letter of Credit Sublimit exceeds the amount of the aggregate Commitments, such sublimit shall be automatically reduced by the amount of such excess. Administrative Agent will promptly notify Lenders of any such notice of termination or reduction of Commitments. Any reduction of the Commitments shall be applied to the Commitment of each Lender according to its Applicable Percentage. All fees accrued until the effective date of any termination of the Commitments shall be paid on the effective date of such termination.

(b) **Voluntary Prepayments**. Subject to the conditions set forth below, Borrower shall have the right, at any time and from time to time upon at least three (3) Business Days' prior written notice to Administrative Agent, to prepay the principal of the Revolving Credit Loans in full or in part.

(c) **Mandatory Prepayment of Overadvance**. If at any time the Revolving Credit Exposure of the Lenders exceeds the Line Cap then in effect (an "***Overadvance***"), then Borrower shall immediately prepay the entire amount of such excess to Administrative Agent, for the ratable account of the Lenders, and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; *provided* that, if the Borrower does not cure such Overadvance within one (1) Business Day, the Administrative Agent shall apply funds in the Collection Account at such time to cure

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such Overadvance on the next Business Day and if the Administrative Agent or the Borrower is able to so cure such Overadvance within one (1) Business Day of the occurrence thereof, the occurrence of such Overadvance shall not constitute an Event of Default. Each prepayment required by this ***Section 2.8(c)*** shall be applied, first, to any Base Rate Borrowings then outstanding, and, second, to any Term SOFR Borrowings then outstanding, and if more than one (1) Term SOFR Borrowing is then outstanding, to such Term SOFR Borrowings in such order as Borrower may direct, or if Borrower fails to so direct, as Administrative Agent shall elect.

(d) **Mandatory Prepayments.**

(i) Upon any Change of Control, (A) Borrower shall prepay all Obligations within one (1) Business Day of the occurrence of such Change of Control and (B) the Commitments shall automatically be deemed to be $0 without any further action by the Administrative Agent or the Lenders.

(ii) If a Liquidity Event has occurred and has continued for thirty (30) consecutive days then (A) on the following Business Day the Borrower shall prepay all Obligations and (B) the Commitments shall automatically be deemed to be $0 without any further action by the Administrative Agent or the Lenders.

(iii) If any Loan Party Disposes of any Property (other than any Disposition of any Property permitted by ***Section 7.8(a)*** through ***(h)***) which results in the realization by such Person of Net Cash Proceeds, Borrower shall deposit 100% of such Net Cash Proceeds into the Collection Account within one (1) Business Day of receipt thereof by such Person; *provided, however*, that the first $250,000 of such Net Cash Proceeds received in any fiscal year shall not be subject to the requirements set forth in this ***Section 2.8(d)(iii)***.

(iv) Concurrently with the incurrence or issuance by any Loan Party of any Debt (other than Debt expressly permitted to be incurred or issued pursuant to ***Section 7.1***), Borrower shall prepay the Revolving Credit Loans and/or Cash Collateralize the L/C Obligations in an amount equal to one hundred percent (100%) of the Net Cash Proceeds thereof.

(v) Upon any Extraordinary Receipt received by or paid to or for the account of any Loan Party, and not otherwise included in ***clause (i)*** of this ***Section 2.8(d)***, Borrower shall deposit 100% of such Net Cash Proceeds received therefrom in the Collection Account within one (1) Business Day of receipt thereof by such Loan Party; *provided, however*, that the first $250,000 of such Extraordinary Receipts received in any fiscal year shall not be subject to the requirements set forth in this ***Section 2.8(d)(v)***.

(vi) All prepayments made pursuant to ***Sections 2.8(d)(i)***, ***(ii)*** and ***(iv)*** shall be applied first to prepay any Protective Advances that may be outstanding and second to prepay the Revolving Credit Loans and to Cash Collateralize outstanding LC Obligations.

(vii) Upon the occurrence of any event triggering the deposit or prepayment requirement under clauses (i) through (v) above, the Borrower shall deliver prompt written notice thereof to the Administrative Agent and upon receipt of such notice, the Administrative Agent shall promptly so notify the Lenders.

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(e) **Payment of Interest**. If there is a repayment or prepayment of the principal of the Revolving Credit Loans on the Maturity Date, whether voluntary or mandatory or because of acceleration or otherwise, such repayment or prepayment shall also include any and all accrued but unpaid interest on the amount of principal being so prepaid through and including the date of repayment or prepayment, plus any other sums which have become due to Lenders under the other Loan Documents on or before the date of repayment or prepayment, but which have not been fully paid.

Section 2.9 **Protective Advances**.

(a) Subject to the limitations set forth below, the Administrative Agent is authorized by the Borrower and the Lenders, from time to time in the Administrative Agent's Permitted Discretion (but shall have no obligation), to make Base Rate Loans to the Borrower, on behalf of all Lenders, which the Administrative Agent deems necessary or desirable (i) to preserve or protect the Collateral, or any portion thereof, (ii) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations, or (iii) to pay any other amount chargeable to or required to be paid by the Borrower pursuant to the terms of this Agreement, including payments of reimbursable expenses (including costs, fees, and expenses as described in ***Section 11.1***) and other sums payable under the Loan Documents (any of such Loans are herein referred to as "***Protective Advances***"); provided that, (x) unless an Event of Default shall have occurred and be continuing, the Administrative Agent shall give the Borrower two (2) Business Days prior written (including by email) notice before making any Protective Advance and during such two (2) Business Day period the Borrower may provide the Administrative Agent with immediately available funds (or instruct the Administrative Agent to use funds in the Collection Account) in the amount of the proposed Protective Advance in lieu of such Protective Advance and the Administrative Agent may only make such proposed Protective Advance to the extent the Borrower shall have not provided such funds to the Administrative Agent (or authorized Administrative Agent to use funds in the Collection Account for such purpose) prior to the expiration of such two (2) Business Day period and (y) the aggregate amount of Protective Advances outstanding at any time shall not at any time exceed [***] percent ([***]%) of the Commitments; provided further that, the aggregate Revolving Credit Exposure of the Lenders after giving effect to the Protective Advances being made shall not exceed the aggregate Commitments of the Lenders at such time. The unpaid principal amount of each Protective Advance shall, subject to ***Section 2.7(e)***, bear interest at the Applicable Rate for Base Rate Loans. Protective Advances may not be converted to Benchmark Rate Loans.

(b) Protective Advances may be made even if the conditions precedent set forth in ***Section 4.2*** have not been satisfied. The making of a Protective Advance on any one occasion shall not obligate the Administrative Agent to make any Protective Advance on any other occasion and shall not constitute a waiver by the Administrative Agent or the Lenders of any Event of Default.

(c) At any time that there is sufficient Availability and the conditions precedent set forth in ***Section 4.2*** have been satisfied, the Administrative Agent may request the Lenders to make a Revolving Credit Loan to repay a Protective Advance.

(d) Upon the making of a Protective Advance by the Administrative Agent (whether before or after the occurrence of a Default), each Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Administrative Agent, without recourse or warranty, an undivided interest and participation in such Protective Advance in proportion to its Applicable Percentage. From and after the date, if any, on which any Lender is required to fund its

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participation in any Protective Advance purchased hereunder, the Administrative Agent shall promptly distribute to such Lender, such Lender's Applicable Percentage of all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such Protective Advance.

(e) The unpaid amount of each Protective Advance shall be due and payable on the earlier of the Maturity Date and demand by the Administrative Agent.

Section 2.10 **Collection Account; Blocked Accounts**. Borrower shall establish with Administrative Agent or any banks acceptable to Administrative Agent, certain lockboxes and/or blocked accounts as agreed upon by the Administrative Agent (collectively "***Blocked Accounts***"), for the benefit of Administrative Agent, for the deposit of all receipts and collections in accordance with ***Section 2.11*** hereof, pursuant to executed Account Control Agreements and/or lockbox agreements (which lockbox agreements shall be accompanied by an acknowledgment by the bank where the lockbox is located of the Lien of the Administrative Agent granted hereunder and of irrevocable instructions to wire all amounts collected therein to the Collection Account (each such lockbox agreement, a "***Lockbox Agreement***")), as applicable, in form and substance satisfactory to Administrative Agent, in its reasonable discretion. All receipts and collections deposited in such Blocked Accounts shall be pledged to Administrative Agent, for the benefit of the Secured Parties, and, if applicable, forwarded on a daily basis to a collection account held by Administrative Agent (the "***Collection Account***"). Proceeds received from such Blocked Accounts into the Collection Account shall be applied against any Obligations owing by Borrower to the Lenders in accordance with ***Section 2.4(d)***. Only Administrative Agent shall have the right to direct withdrawals from such Blocked Accounts or the Collection Account. Except as otherwise agreed to by Administrative Agent, each bank at which any such Blocked Account is maintained shall waive any right of offset such bank may otherwise have in such Blocked Account and the items deposited therein. The Borrower shall pay all fees and charges as may be required by any depository in which such Blocked Accounts are opened. Borrower shall, contemporaneously with the execution of this Agreement, provide Administrative Agent with the duly executed Account Control Agreements and Lockbox Agreements related to the Blocked Accounts. Borrower covenants and agrees to notify all of its customers and account debtors in writing directing such customers and account debtors to forward all current and future remittances and/or payments owed to Borrower to the Blocked Accounts. If notwithstanding the foregoing instructions, Borrower receives any proceeds of any Accounts, Borrower shall receive such payments as the Administrative Agent's trustee, and shall immediately deposit all cash, checks or other similar payments related to or constituting payments made in respect of Accounts received by it to a Blocked Account or the Collection Account. All of the Loan Parties' Deposit Accounts as of the Closing Date are set forth in ***Schedule 2.10***.

Section 2.11 **Collection of Accounts**.

(a) On or prior to the date that is thirty (30) days (or such later date as Administrative Agent may agree in its sole discretion) following the Closing Date, all receipts of cash, cash equivalents, checks, credit card receipts, drafts, instruments, and other items of payment arising out of the performance of services or the sale of inventory or other Property of the Loan Parties or the creation of accounts receivable, including without limitation, insurance proceeds and tax refunds (referred to as "***Receipts***"), and all Property of the Loan Parties in which Administrative Agent has a security interest or Lien, shall be deposited daily into one or more of the Blocked Accounts, and shall be held in trust by such Loan Party for Administrative Agent until so deposited.

(b) In the event, notwithstanding the provisions of this Section, any Loan Party receives or otherwise has possession or control of any Receipts, or any proceeds or

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collections of any Property of the Loan Parties in which Administrative Agent has a security interest or Lien, such Receipts, proceeds, and collections shall be held in trust by such Loan Party for Administrative Agent and shall be promptly transferred to the Collection Account (or, if applicable, another Blocked Account).

(c) From and after the date that is thirty (30) days following the Closing Date, Borrower will not intentionally or knowingly permit any Receipts to be commingled with cash, funds or other Property of any Affiliate of Borrower (excluding, for the avoidance of doubt, inadvertent commingling arising as a result of an Account Debtor's failure to correctly comply with given payment instructions). In the event any Affiliate of Borrower receives or otherwise has possession or control of any Receipts, Borrower shall cause such Affiliate to immediately transfer such Receipts to a Blocked Account or the Collection Account.

(d) Borrower shall deposit all Net Cash Proceeds received in respect of any Disposition or Extraordinary Receipt in the Collection Account.

Section 2.12 **Uncommitted Increase in Commitments**.

(a) **Request for Increase**. So long as no Event of Default has occurred and is continuing, upon notice to Administrative Agent (which shall promptly notify the Lenders), Borrower may from time to time, request an increase in the aggregate Commitments (a "***Revolving Facility Increase***") by an amount (for all such requests) not exceeding $[***]; *provided* that (i) any such request for an increase shall be in a minimum amount of $[***], (ii) Borrower may make a maximum of five such requests and (iii) no Lender shall be required or otherwise obligated to provide any portion of such Revolving Facility Increase. To achieve the full amount of a requested Revolving Facility Increase, and subject to the approval of Administrative Agent and L/C Issuer, Borrower may (I) request that one or more Lenders increase their Commitment, (II) invite all Lenders to increase their respective Commitment, and/or (III) invite additional Eligible Assignees to become Lenders pursuant to a joinder agreement in form and substance satisfactory to Administrative Agent and its counsel.

(b) **Notification by Administrative Agent; Additional Lenders**. In the event the Borrower invites all Lenders to increase their respective Commitment, then at the time of sending such notice, Borrower (in consultation with Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the Lenders). Each Lender shall notify Administrative Agent within such time period whether or not it agrees to increase its Commitment and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment. Administrative Agent shall notify Borrower and each Lender of the Lenders' responses to each request made hereunder.

(c) **Effective Date and Allocations**. If the Commitments are increased in accordance with this Section, Administrative Agent and Borrower shall determine the effective date (the *"**Increase Effective Date**"*) and the final allocation of such increase. Administrative Agent shall promptly notify Borrower and the Lenders of the details of the final allocation of such increase and the Increase Effective Date.

(d) **Conditions to Effectiveness of Increase**. As a condition precedent to such increase, Borrower shall deliver to Administrative Agent a certificate of each Loan Party dated as of the Increase Effective Date (in sufficient copies for each Lender) signed

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by a Responsible Officer of such Loan Party, in each case in form and substance satisfactory to Administrative Agent, (i) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (ii) in the case of Borrower, certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in ***Article 5*** and the other Loan Documents are true and correct on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this ***Section 2.12***, the representations and warranties contained in ***Section 4.2*** shall be deemed to refer to the most recent statements furnished pursuant to *subsections (a)* and *(b)*, respectively, of ***Section 6.1***, and (B) no Event of Default exists.

(e) **Pro Rata Treatment; Etc**. On the Increase Effective Date, (i) any Lender increasing (or, in the case of any newly added Lender, extending) its Commitment shall make available to Administrative Agent such amounts in immediately available funds as Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase or addition and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Credit Loans of all the Lenders to equal its revised Applicable Percentage of such outstanding Revolving Credit Loans, and Administrative Agent shall make such other adjustments among the Lenders with respect to the Revolving Credit Loans then outstanding and amounts of principal, interest, commitment fees and other amounts paid or payable with respect thereto as shall be necessary, in the opinion of Administrative Agent, in order to effect such reallocation and (ii) the Borrower shall be deemed to have repaid and reborrowed all outstanding Revolving Credit Loans as of the date of any increase (or addition) in the Commitments (with such reborrowing to consist of the Types of Revolving Credit Loans, with related Interest Periods if applicable, specified in a notice delivered by the Borrower, in accordance with the requirements of ***Section 2.1(b)***). The deemed payments made pursuant to *clause (ii)* of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Term SOFR Loan, shall be subject to the provisions of ***Section 3.5*** if the deemed payment occurs other than on the last day of the related Interest Periods. Within a reasonable time after the effective date of any increase or addition, Administrative Agent shall, and is hereby authorized and directed to, revise ***Schedule 2.1*** to reflect such increase or addition and shall distribute such revised ***Schedule 2.1*** to each of the Lenders and the Borrower, whereupon such revised ***Schedule 2.1*** shall replace the old ***Schedule 2.1*** and become part of this Agreement.

(f) **Conflicting Provisions**. This Section shall supersede any provisions in ***Section 11.10*** or ***11.23*** to the contrary.

Section 2.13 **Extension of Maturity Date**. No earlier than ninety (90) days, and no later than sixty (60) days, prior to the Scheduled Maturity Date then in effect, the Borrower may deliver written notice to the Administrative Agent requesting an extension of such Maturity Date. The Administrative Agent shall respond to such request no later than thirty (30) days following the date of its receipt of such request, indicating whether it is considering such request and preliminary conditions precedent to any extension of the Maturity Date as the Administrative Agent determines to include in such response. The Administrative Agent's failure to respond to a request delivered by the Borrower pursuant to this ***Section 2.13*** shall not be deemed to constitute any agreement by the Administrative Agent or any Lender to any such extension. The granting of any extension of the Maturity Date requested by the Borrower shall be subject to customary conditions precedent (including such certificates, opinions and other matters as the Administrative Agent and the Lenders consenting thereto may reasonably request and the payment of such fees as the Borrower and such consenting Lenders may mutually agree) and be

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in the mutual discretion of the Borrower and the Administrative Agent (on behalf of the Lenders) with the consent of all Lenders; *provided* that (i) no Lender shall have any obligation to agree to any such extension and (ii) any Lender who does not provide its consent shall be deemed to be a Non-Consenting Lender and may be replaced in accordance with ***Section 3.6(b)***.

ARTICLE 3.

TAXES, YIELD PROTECTION AND INDEMNITY

Section 3.1 **Increased Costs**.

(a) **Increased Costs Generally**. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender or L/C Issuer (except any reserve requirement reflected in Term SOFR);

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in ***clauses (b)*** through ***(d)*** of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or L/C Issuer any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation in any such Loan or Letter of Credit;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, L/C Issuer or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit) or to reduce the amount of any sum received or receivable by such Lender, L/C Issuer or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, L/C Issuer or other Recipient, Borrower will pay to such Lender, L/C Issuer or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, L/C Issuer or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) **Capital or Liquidity Requirements**. If any Lender or L/C Issuer determines that any Change in Law affecting such Lender or L/C Issuer or any Lending Office of such Lender or such Lender's or L/C Issuer's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or L/C Issuer's capital or on the capital of such Lender's or L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by such Lender or the Letters of Credit issued by L/C Issuer, to a level below that which such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's

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or L/C Issuer's policies and the policies of such Lender's or L/C Issuer's holding company with respect to capital adequacy and liquidity), then from time to time Borrower will pay to such Lender or L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company for any such reduction suffered.

(c) **Certificates for Reimbursement**. A certificate of a Lender or L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or L/C Issuer or its holding company, as the case may be, as specified in ***Sections 3.1(a)*** or ***(b)*** and delivered to Borrower, shall be conclusive absent manifest error. Borrower shall pay such Lender or L/C Issuer, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) **Delay in Requests**. Failure or delay on the part of any Lender or L/C Issuer to demand compensation pursuant to this ***Section 3.1*** shall not constitute a waiver of such Lender's or L/C Issuer's right to demand such compensation; provided that Borrower shall not be required to compensate a Lender or L/C Issuer pursuant to this ***Section 3.1*** for any increased costs incurred or reductions suffered more than six (6) months prior to the date that such Lender or L/C Issuer, as the case may be, notifies Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six (6)-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 3.2 **Illegality**. If any Lender determines that any Law or regulation has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its Lending Office to make, maintain or fund Loans whose interest is determined by reference to SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or to determine or charge interest rates based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, then, on notice thereof by such Lender to Borrower through Administrative Agent, (a) any obligation of such Lender to make or continue Term SOFR Loans or to convert Base Rate Loans to Term SOFR Loans shall be suspended, and (b) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Adjusted Term SOFR component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by Administrative Agent without reference to the Adjusted Term SOFR component of the Base Rate, in each case until such Lender notifies Administrative Agent and Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (i) Borrower shall, if necessary to avoid such illegality, upon demand from such Lender (with a copy to Administrative Agent), prepay or, if applicable, convert all Term SOFR Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by Administrative Agent without reference to the Adjusted Term SOFR component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Term SOFR Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Term SOFR Loans and (ii) if such notice asserts the illegality of such Lender determining or charging interest rates based upon Adjusted Term SOFR, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Adjusted Term SOFR component thereof until Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon Adjusted Term SOFR. Upon any such prepayment or conversion, Borrower shall also pay accrued interest on the amount so prepaid or converted.

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Section 3.3 **Changed Circumstances; Benchmark Replacement**.

(a) **Changed Circumstances**. Subject to ***clause (b)*** below, if prior to the commencement of any Interest Period for any Benchmark Rate Borrowing,

(i) Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) in connection with any request for a Benchmark Rate Loan or a conversion to or continuation thereof or otherwise, that for any reason adequate and reasonable means do not exist for determining the applicable Benchmark for any requested Interest Period with respect to a proposed Benchmark Rate Loan or in connection with an existing or proposed Base Rate Borrowing (provided that no Benchmark Transition Event shall have occurred at such time); or

(ii) Administrative Agent is advised by the Required Lenders that the applicable Benchmark for any requested Interest Period with respect to a proposed Benchmark Rate Loan will not adequately and fairly reflect the cost to such Lenders of funding or maintaining their Benchmark Rate Loans included in such Borrowing for such Interest Period,

then Administrative Agent will promptly so notify Borrower and each Lender. Thereafter, (x) the obligation of Lenders to make or maintain Benchmark Rate Loans shall be suspended, and (y) in the event of a determination described in the preceding sentence with respect to the Benchmark rate component of the Base Rate, the utilization of the Benchmark rate component in determining the Base Rate shall be suspended, in each case until Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Benchmark Rate Borrowings or, failing that, will be deemed to have converted such request into a request for a Base Rate Borrowing in the amount specified therein.

(b) **Benchmark Replacement Setting**.

(i) **Benchmark Replacement**. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (A) if a Benchmark Replacement is determined in accordance with ***clause (a)*** of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (B) if a Benchmark Replacement is determined in accordance with ***clause (b)*** of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as

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Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(ii) **Benchmark Replacement Conforming Changes**. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, Administrative Agent (in consultation with the Borrower) will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(iii) **Notices; Standards for Decisions and Determinations**. Administrative Agent will promptly notify Borrower and the Lenders of (A) the implementation of any Benchmark Replacement, (B) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement, (C) the removal or reinstatement of any tenor of a Benchmark pursuant to ***clause (iv)*** below and (D) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this ***Section 3.3(b)***, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this ***Section 3.3(b)***.

(iv) **Unavailability of Tenor of Benchmark**. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by Administrative Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (i) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) **Benchmark Unavailability Period**. Upon Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, Borrower may revoke any pending request for a Benchmark Rate Borrowing of, conversion to or continuation of Benchmark Rate Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, Borrower will be deemed to have converted any such request into a request for a Borrowing of or

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conversion to Base Rate Loans. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

Section 3.4 **Taxes**.

(a) **Defined Terms**. For purposes of this Section, the term "applicable Law" includes FATCA.

(b) **Payment Free of Taxes**. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Law. If any applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this ***Section 3.4***) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) **Payment of Other Taxes by the Loan Parties**. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) **Indemnification by the Loan Parties**. The Loan Parties shall jointly and severally indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this ***Section 3.4***) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by a Lender (with a copy to Administrative Agent), or by Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) **Indemnification by Lenders**. Each Lender shall severally indemnify Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of ***Section 11.8*** relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by Administrative Agent shall be conclusive absent

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manifest error. Each Lender hereby authorizes Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by Administrative Agent to such Lender from any other source against any amount due to Administrative Agent under this ***Section 3.4(e)***.

(f) **Evidence of Payments**. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this ***Section 3.4***, such Loan Party shall deliver to Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Administrative Agent.

(g) **Status of Lenders**.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower and Administrative Agent, at the time or times reasonably requested by Borrower or Administrative Agent, such properly completed and executed documentation reasonably requested by Borrower or Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Borrower or Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by Borrower or Administrative Agent as will enable Borrower or Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two (2) sentences, the completion, execution and submission of such documentation (other than such documentation set forth in ***Section 3.4(g)(ii)(A)***, ***(ii)(B)*** and ***(ii)(D)*** below) shall not be required if in such Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to Borrower and Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income Tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan

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Document, executed copies of IRS Form W-8BEN (or IRS Form W-8BEN-E, if applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such Tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN (or IRS Form W-8BEN-E, if applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such Tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under *Section 881(c)* of the Code, (x) a certificate substantially in the form of ***Exhibit F-1*** to the effect that such Foreign Lender is not a "*bank*" within the meaning of *Section 881(c)(3)(A)* of the Code, a "10 percent shareholder" of Borrower within the meaning of *Section 881(c)(3)(B)* of the Code, or a "*controlled foreign corporation*" related to Borrower as described in *Section 881(c)(3)(C)* of the Code (a "***U.S. Tax Compliance Certificate***") and (y) executed copies of IRS Form W-8BEN (or IRS Form W-8BEN-E, if applicable); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN (or IRS Form W-8BEN-E, if applicable), a U.S. Tax Compliance Certificate substantially in the form of ***Exhibit F-2*** or ***Exhibit F-3***, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of ***Exhibit F-4*** on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Administrative Agent), executed copies of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to

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permit Borrower or Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in *Section 1471(b)* or *1472(b)* of the Code, as applicable), such Lender shall deliver to Borrower and Administrative Agent at the time or times prescribed by Law and at such time or times reasonably requested by Borrower or Administrative Agent such documentation prescribed by applicable Law (including as prescribed by *Section 1471(b)(3)(C)(i)* of the Code) and such additional documentation reasonably requested by Borrower or Administrative Agent as may be necessary for Borrower and Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this ***clause (D)***, "***FATCA***" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower and Administrative Agent in writing of its legal inability to do so.

(h) **Treatment of Certain Refunds**. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this ***Section 3.4*** (including by the payment of additional amounts pursuant to this ***Section 3.4***), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this ***Section 3.4*** with respect to the Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this ***Section 3.4(h)*** (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this ***Section 3.4(h)***, in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this ***Section 3.4(h)*** the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This ***Section 3.4(h)*** shall not be construed to require any indemnified party to make available its Tax Returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) **Survival**. Each party's obligations under this ***Section 3.4*** shall survive the resignation or replacement of Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

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Section 3.5 **Compensation for Losses**. Upon demand of any Lender (with a copy to Administrative Agent) from time to time, Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than (i) the last day of the Interest Period for such Loan or (ii) on a Settlement Date (in each case, whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by Borrower (for a reason other than the failure of such Lender to lend any Loan other than a Base Rate Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by Borrower (regardless of whether such notice may be revoked by Borrower under the terms of this Agreement and is revoked in accordance herewith); or

(c) any assignment of a Loan other than a Base Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by Borrower pursuant to ***Section 3.6(b)***;

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to Borrower and shall be conclusive absent manifest error. Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof. Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

Section 3.6 **Mitigation of Obligations; Replacement of Lenders**.

(a) **Designation of a Different Lending Office**. If any Lender requests compensation under ***Section 3.1***, or requires Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to ***Section 3.4***, then such Lender shall (at the request of Borrower) use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to ***Section 3.1*** or ***Section 3.4***, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) **Replacement of Lenders**. If any Lender requests compensation under ***Section 3.1***, or if Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to ***Section 3.4*** and, in each case, such Lender has declined or is unable to designate a different Lending Office in accordance with ***Section 3.6(a)***, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then Borrower may, at its sole expense and effort, upon notice to such Lender and Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, ***Section 11.8***), all of its interests, rights (other than its existing rights to payments pursuant to ***Section 3.1*** or ***Section 3.4***)

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and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that:

(i) Borrower shall have paid to Administrative Agent the assignment fee (if any) specified in ***Section 11.8***;

(ii) such Lender shall have received payment of an amount equal to the Outstanding Amount of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under ***Section 3.5***) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under ***Section 3.1*** or payments required to be made pursuant to ***Section 3.4***, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with applicable Law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrower to require such assignment and delegation cease to apply.

Each party hereto agrees that (x) an assignment required pursuant to this ***Section 3.6*** may be effected pursuant to an Assignment and Assumption executed by Borrower, Administrative Agent and the assignee and (y) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender or Administrative Agent, provided, further that any such documents shall be without recourse to or warranty by the parties thereto.

Notwithstanding anything in this ***Section 3.6*** to the contrary, (i) any Lender that acts as L/C Issuer may not be replaced hereunder at any time it has any Letters of Credit outstanding hereunder unless arrangements satisfactory to such Lender (including the furnishing of a backstop standby letter of credit in form and substance, and issued by an issuer, reasonably satisfactory to L/C Issuer or the depositing of cash collateral into a cash collateral account in amounts and pursuant to arrangements reasonably satisfactory to L/C Issuer) have been made with respect to such outstanding Letters of Credit and (ii) the Lender that acts as Administrative Agent may not be replaced hereunder except in accordance with the terms of ***Section 10.6***.

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Section 3.7 **Survival**. All of the obligations under this ***Article 3*** shall survive termination of the Commitments, repayment of all other Obligations hereunder, and resignation of Administrative Agent.

ARTICLE 4.

CONDITIONS PRECEDENT

Section 4.1 **Initial Extension of Credit**. The obligation of the Lenders and L/C Issuer to make the initial Credit Extension hereunder is subject to the condition precedent that Administrative Agent shall have received all of the following, each dated (unless otherwise indicated or otherwise specified by Administrative Agent) the Closing Date, in form and substance satisfactory to Administrative Agent:

(a) **Credit Agreement**. Counterparts of this Agreement executed by each party hereto;

(b) **Secretary's Certificate; Resolutions; Incumbency; Constituent Documents**. A certificate of the Borrower and Holdings, dated the Closing Date and executed by a Responsible Officer of such Person, which shall (i) certify the resolutions of the board of directors (or other governing body) of such Person, which authorize the execution, delivery, and performance by such Person of this Agreement and the other Loan Documents to which such Person is or is to be a party, (ii) certify the names of the individuals or other Persons authorized to sign this Agreement and each of the other Loan Documents to which Borrower and Holdings is or is to be a party (including the certificates contemplated herein) on behalf of such Person together with specimen signatures of such individual Persons, and (iii) (A) attach the Constituent Documents and all amendments thereto for the Borrower and Holdings, with the formation documents included in the Constituent Documents being certified as of a date acceptable to Administrative Agent by the appropriate government officials of the state of incorporation or organization of the Borrower and Holdings and (B) contain a certification of a Responsible Officer of such Person that all such Constituent Documents are complete and correct;

(c) **Closing Certificate**. A certificate signed by a Responsible Officer of Borrower certifying that the conditions specified in ***Sections 4.2(b)*** and ***(c)*** have been satisfied;

(d) **Solvency Certificate**. A solvency certificate signed by the chief financial officer of Borrower (or another Responsible Officer of Borrower acceptable to Administrative Agent);

(e) **Governmental Certificates**. Certificates of the appropriate government officials of the state of incorporation or organization of each Loan Party that is not a natural Person as to the existence and good standing of each Loan Party that is not a natural Person. Each certificate or other evidence required by this ***clause (e)*** shall be dated within ten (10) days prior to the Closing Date;

(f) **Notes**. The Notes executed by Borrower in favor of each Lender requesting Notes;

(g) **Security Documents**. The Security Documents executed by Borrower and the other Loan Parties;

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(h) **Account Control Agreements**. Account Control Agreements with respect to each Deposit Account (other than any Excluded Deposit Account), Securities Account and Commodity Account of any Loan Party in existence on the Closing Date;

(i) **Financing Statements, etc.** Each document (including any UCC financing statements reflecting the Loan Parties, as debtors, and Administrative Agent, as secured party) required by the Security Documents or under applicable Law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of itself, the Lenders and the other Secured Parties, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than Permitted Liens that have priority over the Liens in favor of the Administrative Agent under applicable Law), each of which shall, if applicable be in proper form for filing, registration or recordation;

(j) **Insurance Matters**. Copies of insurance certificates describing all insurance policies required by ***Section 6.5***;

(k) **Lien Searches**. The results of UCC, Tax lien and judgment lien searches showing all financing statements and other documents or instruments on file against Borrower and each other Loan Party in the appropriate filing offices, such search to be as of a date no more than thirty (30) days prior to the Closing Date, and reflecting no Liens against any of the intended Collateral other than Liens being released or assigned to Administrative Agent on or prior to the Closing Date and Permitted Liens;

(l) **Opinions of Counsel**. A favorable opinion of Baker Botts L.L.P., legal counsel to Borrower and each other Loan Party, addressed to Administrative Agent, the Lenders and L/C Issuer and dated the Closing Date, in form and substance satisfactory to Administrative Agent, with respect to such matters as Administrative Agent may reasonably request;

(m) **Attorneys' Fees and Expenses**. Evidence that the costs and expenses (including reasonable attorneys' fees) referred to in ***Section 11.1***, to the extent invoiced two (2) Business Days prior to the Closing Date, shall have been paid in full by Borrower (it being acknowledged that such costs and expenses may be payable through the proceeds of the initial Borrowing);

(n) **Material Agreements**. True and correct copies of all Material Agreements described on **Schedule 5.25**;

(o) **KYC Information; Beneficial Ownership Information**. Borrower and each of the other Loan Parties shall have provided to Administrative Agent and the Lenders at least five (5) Business Days prior to the Closing Date (i) the documentation and other information requested by Administrative Agent as it deems necessary in order to comply with requirements of any Anti-Corruption Laws and Anti-Terrorism Laws, including, without limitation, the PATRIOT Act and any applicable "know your customer" rules and regulations and (ii) to the extent Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to Borrower;

(p) **Closing Fees**. Evidence that all fees required to be paid to Administrative Agent, Arranger and the Lenders on or before the Closing Date have been paid (it being acknowledged that such fees may be payable through the proceeds of the initial Borrowing on the Initial Funding Date);

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(q) **Funding Account**. A notice setting forth the Deposit Account of the Borrower (the "***Funding Account***") to which the Administrative Agent is authorized by the Borrower to transfer the proceeds of any Borrowing requested or authorized pursuant to this Agreement;

(r) **Financial Statements**. (A) the audited consolidated balance sheet of the Ultimate Parent and its Subsidiaries as of December 31, 2021, and the related audited statements of income and retained earnings and cash flows for the fiscal years ended December 31, 2021 and December 31, 2020 and (B) unaudited consolidated balance sheet of the Ultimate Parent and its Subsidiaries as of the last fiscal quarter of Ultimate Parent ending at least 60 days prior to the Closing Date and related unaudited interim statements of income and retained earnings (collectively, the "***Historical Financial Statements***") (it being acknowledged that such requirement with respect to the Ultimate Parent and its Subsidiaries shall be satisfied by the filing of the appropriate report on Form 10-Q with the SEC);

(s) **Financial Projections.** Pro forma consolidated financial statements for the Borrower, and projections prepared by management of the Borrower, of balance sheets, income statements and cash flow statements on a quarterly basis for the first year following the Closing Date, which shall be in form reasonably acceptable to Administrative Agent;

(t) **Borrowing Base Certificate**. A Borrowing Base Certificate which calculates the Borrowing Base as of February 28, 2023 (attaching the related Borrowing Base Reporting Deliverables);

(u) **Pledge Agreement**. The Pledge Agreement duly executed by Holdings;

(v) **Performance Guaranty**. The Performance Guaranty duly executed by Parent;

(w) **Master Intercompany Purchase Agreement**. The Master Intercompany Purchase Agreement duly executed by Parent and Borrower;

(x) **Management Agreement**. The Management Services Agreement duly executed by the Manager and Borrower.

(y) **Subordinated Intercompany Note**. The Subordinated Intercompany Note duly executed by Parent and Borrower; and

(z) **Subordination Agreement**. The Subordination Agreement duly executed by Parent and Borrower.

For purposes of determining compliance with the conditions set forth in this ***Section 4.1***, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or be satisfied with, each document or other matter required thereunder to be consented to or approved by or be acceptable or satisfactory to a Lender unless Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

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Section 4.2 **All Extensions of Credit**. The obligation of the Lenders (including L/C Issuer) to make any Credit Extension hereunder (including the initial Credit Extension) on any Settlement Date is subject to the following additional conditions precedent:

(a) **Borrowing Request; Required Borrowing Base Reporting Deliverables**. Administrative Agent shall have received in accordance with this Agreement a duly executed Borrowing Request and all Borrowing Base Reporting Deliverables prepared as of the last Business Day of the immediately preceding calendar week;

(b) **No Default**. No Default shall have occurred and be continuing, or would result from or after giving effect to such Credit Extension;

(c) **Representations and Warranties**. All of the representations and warranties of Borrower and each other Loan Party contained in ***Article 5*** and in the other Loan Documents shall (i) with respect to representations and warranties that contain a materiality qualification, be true and correct in all respects on and as of the date of such Borrowing, and (ii) with respect to representations and warranties that do not contain a materiality qualification, be true and correct in all material respects on and as of the date of such Borrowing, in each case with the same force and effect as if such representations and warranties had been made on and as of such date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (or in the case of such representations and warranties that contain a materiality qualification, in all respects) as of such earlier date, and except that for purposes of this ***Section 4.2***, the representations and warranties contained in ***Section 5.2*** shall be deemed to refer to the most recent statements furnished pursuant to ***Section 6.1(a)*** and ***(b)***, respectively; and

(d) **Availability**. With respect to any Credit Extension, after giving effect to such Credit Extension, the total Revolving Credit Exposure of the Lenders shall not exceed the Line Cap in effect as of the date of such Credit Extension.

Each Credit Extension hereunder shall be deemed to be a representation and warranty by Borrower that the conditions specified in this ***Section 4.2*** have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE 5.

REPRESENTATIONS AND WARRANTIES

To induce Administrative Agent, L/C Issuer and the Lenders to enter into this Agreement, and to make Credit Extensions hereunder, Borrower and each other Loan Party represents and warrants to Administrative Agent, L/C Issuer and the Lenders that:

Section 5.1 **Entity Existence**. Each Loan Party and each Subsidiary thereof (a) is duly incorporated or organized, as the case may be, validly existing, and in good standing under the Laws of the jurisdiction of its incorporation or organization; (b) has all requisite power and authority to own its assets and carry on its business as now being or as proposed to be conducted; and (c) is qualified to do business in all jurisdictions in which the nature of its business makes such qualification necessary. Each Loan Party has the power and authority to execute, deliver, and perform its obligations under this Agreement and the other Loan Documents to which it is or may become a party.

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Section 5.2 **Financial Statements; Etc**. Borrower has delivered the Historical Financial Statements to the Administrative Agent. Such financial statements are true and correct in all material respects, have been prepared in accordance with GAAP, and fairly present, in all material respects, on a consolidated basis, the financial condition of Ultimate Parent and its Subsidiaries as of the respective dates indicated therein and the results of operations for the respective periods indicated therein. No Material Adverse Effect and no circumstance which could reasonably be expected to have a Material Adverse Effect has occurred since the date of the most recent financial statements delivered pursuant to ***Section 6.1(a)***.

Section 5.3 **Action; No Breach**. The execution, delivery, and performance by each Loan Party of this Agreement and the other Loan Documents to which such Person is or may become a party and compliance with the terms and provisions hereof and thereof have been duly authorized by all requisite action on the part of such Person and do not and will not (a) violate or conflict with, or result in a breach of, or require any consent under (i) the Constituent Documents of such Person (if such Person is not a natural Person), (ii) any applicable Law, rule, or regulation or any order, writ, injunction, or decree of any Governmental Authority or arbitrator, or (iii) any Material Agreement in existence on the Closing Date to which such Person is a party or by which it or any of its Properties is bound or subject, or (b) result in the creation or imposition of any Lien upon any assets of such Person.

Section 5.4 **Operation of Business**. Each Loan Party and its Subsidiaries possesses all material licenses, permits, consents, authorizations, franchises, patents, copyrights, trademarks, and trade names, or rights thereto, necessary to conduct its respective businesses substantially as now conducted and as presently proposed to be conducted, and neither any Loan Party nor any of its Subsidiaries is in violation of any valid rights of others with respect to any of the foregoing.

Section 5.5 **Litigation and Judgments**. There is no action, suit, investigation, or proceeding before or by any Governmental Authority or arbitrator pending, or to the knowledge of any Loan Party, threatened in writing against or affecting any Loan Party or against any of its Properties that, if adversely determined, could reasonably be expected to have a Material Adverse Effect.

Section 5.6 **Rights in Properties; Liens**. Each Loan Party and its Subsidiaries has good and indefeasible title to or valid leasehold interests in its respective Properties necessary in the ordinary conduct of its business, and none of the Properties of any Loan Party is subject to any Lien, except Permitted Liens.

Section 5.7 **Enforceability**. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and the other Loan Documents to which any Loan Party is a party, when delivered, shall constitute legal, valid, and binding obligations of such Person, enforceable against such Person in accordance with their respective terms, except as limited by Debtor Relief Laws and general principles of equity.

Section 5.8 **Approvals**. No authorization, approval, or consent of, and no filing or registration with, any Governmental Authority or third party is or will be necessary for the execution, delivery, or performance by any Loan Party of this Agreement and the other Loan Documents to which such Person is or may become a party or the validity or enforceability thereof other than (a) the recording and filing of the Security Documents and financing statements in connection therewith and (b) those third party authorizations, approvals or consents which, if not made or obtained, do not have an adverse effect on the enforceability of the Loan Documents and could not reasonably be expected to have a Material Adverse Effect.

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Section 5.9 **Taxes**. Each of the Loan Parties has filed on a timely basis all Tax Returns required to be filed, including all income, franchise, employment, Property, and sales Tax Returns. Each such Tax Return is true, correct and complete in all material respects. Each of the Loan Parties has paid all of its respective liabilities for Taxes, assessments, governmental charges, and other levies that are due and payable (whether or not shown on any Tax Return), other than Taxes, if any, the payment of which is being contested in good faith and by appropriate proceedings and reserves for the payment of which are being maintained in accordance with GAAP. No Loan Party knows of any pending investigation of any Loan Party by any taxing authority or of any pending but unassessed material Tax liability of any Loan Party.

Section 5.10 **Use of Proceeds; Margin Securities**. The proceeds of the Borrowings shall be used (a) by Borrower for working capital in the ordinary course of business, and for other general corporate purposes and (b) to make deposits into the Liquidity Reserve Account. Neither any Loan Party nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T, U, or X of the Board of Governors), and no part of the proceeds of any Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying margin stock. No part of the proceeds of any Loan will be used to fund any operations in, finance any investments or activities in or make any payments to, a Sanctioned Person, or in any other manner that will result in any violation by any Person (including any Lender, any Arranger or Administrative Agent) of any Anti-Terrorism Laws, Anti-Corruption Laws or any Sanctions.

Section 5.11 **ERISA**. Each Plan that is intended to qualify under *Section 401(a)* of the Code has received a favorable determination letter or opinion letter from the IRS or an application for such a letter is currently being processed by the IRS with respect thereto and, to the knowledge of any Loan Party, nothing has occurred which would reasonably be expected to prevent, or cause the loss of, such qualification. There exists no Unfunded Pension Liability with respect to a Plan, except as would not have a Material Adverse Effect. No application for a funding waiver or an extension of any amortization period pursuant to *Section 412* of the Code has been made with respect to any Plan. There are no pending or, to the knowledge of any Loan Party, threatened claims, actions or lawsuits, or action by any Governmental Authority with respect to any Plan or Multiemployer Plan, other than routine claims for benefit. There has been no Prohibited Transaction or violation of the fiduciary responsibility rules with respect to any Plan or Multiemployer Plan, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in a Material Adverse Effect. No Multiemployer Plan is insolvent within the meaning of *Section 4245* of ERISA. No Loan Party or ERISA Affiliate has incurred, or reasonably expects to incur, any material liability under *Title IV* of ERISA with respect to any Plan (other than premiums due under *Section 4007* of ERISA). No Loan Party or ERISA Affiliate has incurred, or reasonably expects to incur, any material liability (and no event has occurred which, with the giving of notice under *Section 4219* of ERISA, would reasonably be expected to result in such material liability) under *Section 4201* of ERISA with respect to a Multiemployer Plan. No Loan Party or ERISA Affiliate has engaged in a transaction that could be subject to *Section 4069* or *4212(c)* of ERISA. No Loan Party or any of its Subsidiaries is an entity deemed to hold "plan assets" (within the meaning of the Plan Asset Regulations), and neither the execution, delivery nor performance of the transactions contemplated under this Agreement, including the making of any Loan and the issuance of any Letter of Credit hereunder, will give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

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Section 5.12 **Disclosure**. No written statement, information, report, representation, or warranty (other than financial projections, forward looking statements, and information of a general economic or industry specific nature) made by Borrower or any other Loan Party in this Agreement, in any other Loan Document or furnished to Administrative Agent or any Lender in connection with this Agreement or any of the transactions contemplated hereby, when taken as a whole, when furnished, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein or therein not materially misleading in the light of the circumstances under which such statements are made (giving effect to all supplements and updates thereto).

Section 5.13 **Subsidiaries**. As of the Closing Date, the Borrower has no Subsidiaries. There are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments of any nature relating to any Equity Interests of the Borrower.

Section 5.14 **No Default; No Liquidity Event**. Except as could not reasonably be expected to result in a Material Adverse Effect, no Loan Party is in default in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in, any judgment, decree or order to which any Loan Party is a party or by which any Loan Party or any of its properties may be bound. No Default has occurred and is continuing. No Liquidity Event has occurred and is continuing.

Section 5.15 **Compliance with Laws**. Except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, no Loan Party nor any of their Subsidiaries is in violation in any respect of any Law, rule, regulation, order, or decree of any Governmental Authority or arbitrator.

Section 5.16 **Inventory**. All Inventory of the Loan Parties and their Subsidiaries has been and will hereafter be produced and/or maintained in compliance with all applicable Laws, rules, regulations, and governmental standards, including, without limitation, the minimum wage and overtime provisions of the Fair Labor Standards Act (29 U.S.C. §§ 201-219).

Section 5.17 **Regulated Entities**. No Loan Party nor any of their Subsidiaries is an "*investment company*" or a company "controlled" by an "*investment company*" within the meaning of the Investment Company Act of 1940. No Loan Party is an Affected Financial Institution.

Section 5.18 **Environmental Matters**. Except with respect to any matters that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) each Loan Party, and all of its respective Properties, assets, and operations, are in compliance with all Environmental Laws. No Loan Party is aware of, nor has any Loan Party received notice of, any past, present, or future conditions, events, activities, practices, or incidents which may interfere with or prevent the compliance or continued compliance of each Loan Party with all Environmental Laws;

(b) neither any Loan Party nor any of their respective currently or previously owned or leased Properties or operations is subject to any outstanding or threatened order from or agreement with any Governmental Authority or other Person or subject to any judicial or docketed administrative proceeding with respect to (i) any failure to comply with Environmental Laws, (ii) any Remedial Action, or (iii) any Environmental Liabilities arising from a Release or threatened Release;

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(c) no Loan Party is a treatment, storage, or disposal facility requiring a permit under the Resource Conservation and Recovery Act, *42 U.S.C. § 6901 et seq.*, regulations thereunder or any comparable provision of state Law. Each Loan Party is in compliance with all applicable financial responsibility requirements of all Environmental Laws; and

(d) no Loan Party has filed or failed to file any notice required under applicable Environmental Law reporting a Release.

Section 5.19 **Intellectual Property**. Each Loan Party and each of its Subsidiaries owns, or is licensed to use, all Intellectual Property necessary to conduct its business as currently conducted, and the use thereof does not infringe in any material respect upon the rights of any other Person.

Section 5.20 **Anti-Corruption Laws; Sanctions; Etc**.

(a) No Loan Party or, to the knowledge of any Loan Party, any director, officer, employee, agent, or Affiliate of a Loan Party is an individual or entity ("person") that is, or is owned fifty percent (50%) or more or controlled by any person that: (i) is a Sanctioned Person or is currently the subject or target of any Sanctions, or (ii) is located, organized or resident in a Sanctioned Country.

(b) The Loan Parties and their respective directors, officers and employees and, to the knowledge of the Loan Parties, agents, are in compliance with all applicable Sanctions and with the FCPA and any other applicable Anti-Corruption Law. Ultimate Parent and its Subsidiaries (including the Manager and the Loan Parties) have instituted and maintain policies and procedures designed to promote continued compliance with applicable Sanctions, the FCPA and any other applicable Anti-Corruption Laws.

Section 5.21 **PATRIOT Act**. The Loan Parties, the Manager, Ultimate Parent, and each of their Subsidiaries are in compliance with (a) the Trading with the Enemy Act, and each of the foreign assets control regulations of the United States Treasury Department (*31 CFR, Subtitle B Chapter V*, as amended), and all other enabling legislation or executive order relating thereto, (b) the PATRIOT Act, and (c) all other federal or state Laws relating to "know your customer" (collectively, the "***Anti-Terrorism Laws***").

Section 5.22 **Insurance**. The Properties of each Loan Party and their Subsidiaries are subject to insurance as required under ***Section 6.5*** and all such insurance is in full force and effect.

Section 5.23 **Security Documents**. The provisions of the Security Documents are effective to create in favor of Administrative Agent for the benefit of the Secured Parties a legal, valid and enforceable Lien (subject to Permitted Liens) on all right, title and interest of the respective Loan Parties party thereto in the Collateral. Except for filings completed prior to the Closing Date and as otherwise contemplated hereby and by the Security Documents, no filing or other action will be necessary to perfect such Liens in Collateral.

Section 5.24 **Labor Matters**. Except with respect to any matters that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, there are no strikes, work stoppages or other labor controversies pending, or to the knowledge of the Manager or any Loan Party, threatened against the Manager or any Loan Party.

Section 5.25 **Material Agreements**. ***Schedule 5.25*** sets forth a complete and correct list of all Material Agreements of each Loan Party and each Subsidiary thereof in effect as of the

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Closing Date and on the date of each update thereof required hereunder. No Loan Party is in default in any material respect in the performance, observance, or fulfillment of any of the material obligations, covenants, or conditions contained in any Material Agreement.

Section 5.26 **Beneficial Ownership Certification**. The information included in any Beneficial Ownership Certification delivered by the Borrower is true and correct in all respects.

ARTICLE 6.

AFFIRMATIVE COVENANTS

Each Loan Party covenants and agrees that until the Obligations have been Paid in Full and no Lender has any Commitment hereunder:

Section 6.1 **Reporting Requirements**. Borrower will furnish, or cause to be furnished, to Administrative Agent (with copies for each Lender upon Administrative Agent's request):

(a) **Annual Financial Statements**. As soon as available, and in any event within the earlier of (i) one hundred eighty (180) days after the last day of each fiscal year of Ultimate Parent, beginning with the fiscal year ending December 31, 2022, and (ii) such earlier date as required by applicable Law, a copy of the annual audit report of Ultimate Parent and its Subsidiaries for such fiscal year containing, on a consolidated basis, balance sheets and statements of income, retained earnings, and cash flow as of the end of such fiscal year and for the 12-month period then ended, in each case setting forth in comparative form the figures for the preceding fiscal year, all in reasonable detail and audited and certified by independent certified public accountants of recognized standing acceptable to Administrative Agent, to the effect that such report has been prepared in accordance with GAAP and containing no material qualifications or limitations on scope (it being acknowledged that such requirement with respect to Ultimate Parent may be satisfied by the filing of the appropriate report on Form 10-K with the SEC; provided that Borrower shall promptly notify the Administrative Agent of the filing of any such documents);

(b) **Quarterly Financial Statements**. As soon as available, and in any event within the earlier of (i) sixty (60) days after the last day of each fiscal quarter and (ii) such earlier date as required by applicable Law, a copy of an unaudited financial report of Ultimate Parent and its Subsidiaries as of the end of such fiscal quarter and for the portion of the fiscal year then ended, containing, on a consolidated and consolidating basis, balance sheets and statements of income, retained earnings, and cash flow, in each case setting forth in comparative form the figures for the corresponding period of the preceding fiscal year, all in reasonable detail certified by a Responsible Officer of Borrower to have been prepared in accordance with GAAP and to fairly and accurately present (subject to year-end audit adjustments) the financial condition and results of operations of Ultimate Parent and its Subsidiaries, on a consolidated and consolidating basis, as of the dates and for the periods indicated therein (it being acknowledged that such requirement with respect to Ultimate Parent may be satisfied by the filing of the appropriate report on Form 10-Q with the SEC; provided that Borrower shall promptly notify the Administrative Agent of the filing of any such documents);

(c) **Borrower Financial Statements**. Promptly, and in any event (i) within one hundred twenty (120) days after the end of each fiscal year beginning with the fiscal year ending December 31, 2023, the unaudited balance sheet and income statement of the

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Borrower and its Subsidiaries as of the end of such fiscal year and (ii) within sixty (60) days after the end of each of the first three quarters of its fiscal year (commencing the first fiscal quarter after the Closing Date), the unaudited balance sheet and income statement of the Borrower and its Subsidiaries as at the end of such fiscal quarter;

(d) **Monthly Financial Information**. As soon as available, and in any event within thirty (30) days after the last day of each fiscal month, each schedule, report and/or other deliverable described in ***Schedule 6.1(d)***.

(e) **Compliance Certificate**. Concurrently with the delivery of the financial statements referred to in ***Sections 6.1(a)*** and ***6.1(d)***, a Compliance Certificate (i) stating that to the best of the knowledge of the Responsible Officer executing same, no Default or Event of Default has occurred and is continuing, or if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action which is proposed to be taken with respect thereto, (ii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements most recently delivered pursuant to ***Section 6.1(a)*** above and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate and (iii) containing such other certifications set forth therein. For any financial statements delivered electronically by a Responsible Officer in satisfaction of the reporting requirements set forth in ***clause (a)*** preceding that are not accompanied by the required Compliance Certificate, that Responsible Officer shall nevertheless be deemed to have certified the factual matters described in this ***clause (e)*** with respect to such financial statements; however, such deemed certification shall not excuse or be construed as a waiver of Borrower's obligation to deliver the required Compliance Certificate;

(f) **Borrowing Base Certificate.** During each calendar week (commencing with the week including the Payment Date of May 16, 2024), no later than three (3) Business Days (or such later date as the Administrative Agent may agree in its sole discretion) prior to the Payment Date in such week, a Borrowing Base Certificate, calculating the Borrowing Base and reflecting the components of the Borrowing Base as of the close of business on the last Business Day of the immediately preceding week, together with worksheets detailing the Accounts excluded from Eligible Accounts and Inventory excluded from Eligible Inventory and the reason for such exclusion, in each case which information may be included in or be a part of the Borrowing Base Certificate or the Inventory Report or Account Aging delivered pursuant to ***Section 6.1(g)*** or ***Section 6.1(h)*** in connection with such Borrowing Base Certificate;

(g) **Inventory Report**. Concurrently with the delivery of each Borrowing Base Certificate delivered pursuant to ***Section 6.1(f)***, an Inventory report, in form and detail as Administrative Agent shall reasonably require, certified by a Responsible Officer of the Borrower, reconciling such Inventory report with the Borrowing Base Certificate and including a listing of Inventory by location (an "***Inventory Report***");

(h) **Account Agings.** Concurrently with the delivery of each Borrowing Base Certificate delivered pursuant to ***Section 6.1(f)***, (i) the consolidated and consolidating agings of all accounts payable and accounts receivable of the Loan Parties in form and detail reasonably satisfactory to Administrative Agent (the "***Account Agings***") showing each such account which is current and each such account which is thirty (30), sixty (60), ninety (90), and over ninety (90) days past invoice date and, with respect to accounts receivable, reconciling such aging with the Borrowing Base Certificates; (ii) weekly customer statements of the Loan Parties and (iii) a reasonably detailed listing of (A) any discount, credit or agreement to make a rebate or to otherwise reduce the amount owing

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on any Account included in such Borrowing Base Certificate to the extent such discount, credit or rebate exceeds $[***] and (B) any dispute, setoff, claim, counterclaim or defense that exists or has been asserted or threatened (in writing) of which the Borrower has knowledge with respect to any Accounts included in such Borrowing Base Certificate to the extent such disputes, setoffs, claims, counterclaims or defenses are in excess of $[***] individually or $[***] in the aggregate;

(i) **Inventory Purchase Acknowledgments**. Concurrently with the delivery of each Borrowing Base Certificate delivered pursuant to ***Section 6.1(f)***, acknowledgments in form and detail reasonably satisfactory to Administrative Agent from Parent related to Inventory sold by Parent to Borrower pursuant to the Master Intercompany Purchase Agreement during the most recently ended fiscal week;

(j) **Projections**. As soon as practicable and in any event not later than 15 days prior to the end of each fiscal year, projections for the for the following fiscal year, such projections to be prepared in accordance with GAAP and to include, on a quarterly basis, an operating and capital budget and a projected income statement, statement of cash flows and balance sheet;

(k) **Notice of Litigation**. Promptly (but in no event later than five (5) Business Days) after a Responsible Officer of any Loan Party obtains knowledge of (i) the commencement thereof, notice of all actions, suits, and proceedings before any Governmental Authority or arbitrator or any labor matter (including under the Fair Labor Standards Act) affecting (A) the Manager or any Loan Party which, if determined adversely to the Manager or such Loan Party, as applicable, could reasonably be expected to (x) result in liabilities of such Loan Party or such Subsidiary in excess of $[***] or (y) have a Material Adverse Effect or (B) Parent that, in the case of this clause (B), individually or in the aggregate, if adversely determined, would reasonably be likely to have a material adverse effect on (1) the ability of the Parent to perform its obligations under the Performance Guaranty or (2) the business, operations, financial condition, or assets of the Parent;

(l) **Notice of Default**. As soon as possible and in any event within five (5) Business Days after a Responsible Officer of any Loan Party obtains knowledge of the occurrence of any Default, a written notice setting forth the details of such Default and the action that the applicable Loan Party has taken and proposes to take with respect thereto;

(m) **ERISA Events**. As soon as possible and in any event within five (5) Business Days after the Manager, any Loan Party or any ERISA Affiliate knows or has reason to know of the occurrence of any ERISA Event, a certificate of a Responsible Officer of the Manager or the applicable Loan Party setting forth the details of such ERISA Event and the action that the Manager, the applicable Loan Party or the applicable ERISA Affiliate, as applicable, proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto;

(n) **Updates to Security Document Schedules**. Concurrently with the delivery of the Compliance Certificate delivered in connection with the financial statements pursuant to ***Section 6.1(a)***, updates to all Schedules to the Security Documents to the extent that information contained in such Schedules has become inaccurate or incomplete since delivery thereof and such Schedules are required to be updated from time to time pursuant to the terms of the applicable Security Document;

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(o) **Insurance**. (i) Concurrently with the delivery of the Compliance Certificate delivered in connection with the annual financial statements pursuant to ***Section 6.1(a)***, copies of current insurance certificates evidencing compliance with ***Section 6.5*** and (ii) within ten (10) Business Days after any material reduction in insurance coverage by Borrower or any other Loan Party from that previously disclosed to Administrative Agent, written notice describing such change;

(p) **Material Agreements**. Promptly, and in any event within three Business Days after (i)(A) any Material Agreement of any Loan Party is terminated or amended in a manner that is materially adverse to such Loan Party, as the case may be, or to the interests of the Lenders, or (B) any new Material Agreement is entered into, or (ii) any officer of any Loan Party obtains knowledge (1) of any condition or event that constitutes a default or an event of default under any Material Agreement or that any other event, circumstance, or condition exists or has occurred that gives any counterparty to such Material Agreement a termination or assignment right thereunder or the right to cease complying with its payment or material performance obligations thereunder, or (2) that notice has been given to any Loan Party asserting that any such condition or event has occurred, a certificate of a Responsible Officer of the applicable Loan Party specifying the nature and period of existence of such condition or event and, in the case of ***clause (i)***, including copies of such material amendments or new Material Agreements, delivered to Administrative Agent (to the extent such delivery is permitted by the terms of any such Material Agreement, provided, no such prohibition on delivery shall be effective if it were bargained for by a Loan Party with the intent of avoiding compliance with this ***Section 6.1(p)***);

(q) **Notice of Casualty Events**. Prompt written notice, and in any event within three Business Days, after a Responsible Officer of any Loan Party obtains knowledge of the occurrence of any Casualty Event or the commencement of any action or proceeding that could reasonably be expected to result in a Casualty Event, in each case with respect to Property of any Loan Party having an aggregate fair market value in excess of $[***];

(r) **Environmental Matters**. Prompt written notice, and in any event within three Business Days, after a Responsible Officer of any Loan Party obtains knowledge of any action, investigation or inquiry by any Governmental Authority threatened in writing or any demand or lawsuit threatened in writing by any Person against any Loan Party or their Properties, in each case, in connection with any Environmental Laws if Borrower could reasonably anticipate that such action will result in liability (whether individually or in the aggregate) in excess of $[***], to the extent not fully covered by insurance, subject to normal deductible;

(s) **Notice of Certain Changes**. Promptly, copies of any amendment, restatement, supplement or other material modification to any of the Constituent Documents of any Loan Party;

(t) **SEC Investigations**. Subject to any applicable confidentiality requirements of the SEC, promptly after receipt thereof by Ultimate Parent or any of its Subsidiaries, copies of each notice or other correspondence received from the SEC concerning any investigation or possible investigation or other inquiry by such agency regarding the financial condition or other operational results of the Ultimate Parent or any of its Subsidiaries which could reasonably be expected to result in a Material Adverse Effect;

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(u) **Mandatory Prepayment Events**. Promptly, and in any event within the applicable time period for the making of the applicable mandatory prepayment, a report describing in reasonable detail the (A) occurrence of any disposition of Property or assets for which Borrower is required to make a mandatory deposit of funds pursuant to ***Section 2.8(d)(iii)***, (B) occurrence of the incurrence or issuance by any Loan Party of any Debt for which Borrower is required to make a mandatory prepayment pursuant to ***Section 2.8(d)(iv)***, or (C) receipt of any Extraordinary Receipt for which Borrower is required to make a mandatory deposit of funds pursuant to ***Section 2.8(d)(v)***, in each case together with the amount of the corresponding mandatory deposit or prepayment required to be made pursuant to ***Section 2.8(d)***;

(v) **Notice of Change of Control; Liquidity Event**. As soon as possible and in any event within one (1) Business Day after the occurrence of (i) any Change of Control or (ii) any Liquidity Event; and

(w) **General Information**. Promptly, such other information concerning the Borrowing Base, the Collateral, any Loan Party or the Manager as Administrative Agent, or any Lender through Administrative Agent, may from time to time reasonably request, including documentation and other information requested by Administrative Agent or any Lender as it reasonably deems necessary in order to comply with requirements of any Anti-Corruption Laws and Anti-Terrorism Laws, including, without limitation, the Beneficial Ownership Regulation, the PATRIOT Act and any applicable "know your customer" rules and regulations.

Section 6.2 **Maintenance of Existence; Conduct of Business**. Each Loan Party shall, and shall cause each of its Subsidiaries to, preserve and maintain its existence and all of its leases, privileges, licenses, permits, franchises, qualifications, and rights that are necessary or desirable in the ordinary conduct of its business, except to the extent a failure to so preserve and maintain could not reasonably be expected to have a Material Adverse Effect.

Section 6.3 **Maintenance of Properties**. Each Loan Party shall, and shall cause each of its Subsidiaries to, maintain, keep, and preserve all of its material Properties (tangible and intangible) necessary or useful in the proper conduct of its business in good working order and condition, normal wear and tear excepted.

Section 6.4 **Taxes and Claims**. Each Loan Party shall pay or discharge at or before maturity or before becoming delinquent (a) all Taxes, levies, assessments, and governmental charges imposed on it or its income or profits or any of its Property, and (b) all lawful claims for labor, material, and supplies, which, if unpaid, might become a Lien upon any of its Property; *provided*, *however*, that no Loan Party shall be required to pay or discharge any Tax, levy, assessment, governmental charge or claim which is being contested in good faith by appropriate proceedings diligently pursued, and for which adequate reserves in accordance with GAAP have been established.

Section 6.5 **Insurance**. Each Loan Party shall maintain insurance with financially sound and reputable insurance companies satisfactory to Administrative Agent in such amounts and covering such risks as is customarily maintained in conformity with prudent industry practice by companies engaged in similar businesses and owning similar Properties in the same general areas in which the Loan Parties operate, *provided* that in any event the Loan Parties will maintain workmen's compensation insurance, property insurance, comprehensive general liability insurance, with coverage amounts and deductibles consistent with the coverage Parent obtains for its own business and Property, but in no event less than what is customary, reasonable and prudent in light of the size and nature of the Borrower's business and Property. The Borrower shall be deemed to have complied with the foregoing requirements if one of its

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Affiliates has such policy coverage and, by the terms of such policies, the coverage afforded thereunder extends to the Loan Parties and the Administrative Agent. Each insurance policy covering Collateral shall name Administrative Agent as lender's loss payable and each insurance policy covering liabilities shall name Administrative Agent as additional insured, and each such insurance policy shall provide that such policy will not be cancelled or reduced without thirty (30) days' prior written notice to Administrative Agent.

Section 6.6 **Inspection Rights; Field Examinations; Appraisals**.

(a) **Inspection Rights**. At any reasonable time and from time to time, upon reasonable advance notice, each Loan Party shall, and shall cause each of its Subsidiaries or Affiliates, as applicable, to, permit representatives and independent contractors of Administrative Agent and each Lender (i) to examine, inspect, review, evaluate and make physical verifications of the Collateral in any manner and through any medium that Administrative Agent or such Lender considers advisable, (ii) to visit and inspect its Properties, (iii) to examine its corporate, financial and operating books and records, and make copies thereof or abstracts therefrom and (iv) to discuss its affairs, business, operations, financial condition and accounts with its directors, officers, employees, and independent certified public accountants, all at the sole cost and expense of Borrower and at such reasonable times during normal business hours and as often as may be reasonably requested, in each case other than for the purpose of performing Inventory appraisals or field exams, which are addressed in ***clauses (b)*** and ***(c)*** of this ***Section 6.6***; *provided* that, other than with respect to such visits and inspections during the continuance of an Event of Default, (i) only Administrative Agent on behalf of the Lenders may exercise rights under this ***Section 6.6(a)*** and (ii) Administrative Agent shall not exercise such rights more often than two (2) times during any calendar year; *provided, further,* that when an Event of Default exists Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing under this Section at the sole cost and expense of Borrower and at any time during normal business hours and without advance notice. The Borrower acknowledges that all inspections, appraisals and reports are prepared by Administrative Agent and the Lenders (or their agents, representatives or professionals) for their purposes, and the Borrower shall not be entitled to rely upon them and the Administrative Agent shall have no obligation to share any results of any inspection, appraisal or other report with the Borrower or any other Loan Party. In connection with any field examination or inspection with respect to Eligible Inventory, Administrative Agent shall be provided information maintained in any applicable Warehouse Operating System to such extent as determined by Administrative Agent to be adequate to confirm compliance with respect to the requirements set forth in ***Section 6.16***.

(b) **Field Examinations**. Each Loan Party shall, and shall cause each of its Subsidiaries to, permit any representatives designated by Administrative Agent (including any consultants, accountants, lawyers and appraisers retained by Administrative Agent) to conduct field examinations of the Accounts and related working capital matters of the Loan Parties and of the Loan Parties' related data processing and other systems, all at the sole cost and expense of the Loan Parties and at reasonable times; *provided* that, other than with respect to the initial field examination to be conducted following the Closing Date and field examinations conducted during the continuance of an Event of Default, the Loan Parties shall only be responsible for the costs and expenses of up to two field examinations during any twelve (12) month period. Additionally, there shall be no limitation on the number or frequency of field examinations if an Event of Default has occurred and is continuing, and the Loan Parties shall be solely responsible for the costs and expenses of any field examinations conducted while an Event of Default has occurred and is continuing.

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(c) **Appraisals**.

(i) Each Loan Party shall permit any representatives designated by Administrative Agent (including any consultants, accountants, lawyers and appraisers retained by Administrative Agent) to conduct Appraisals or updates thereof of the Inventory owned by the Loan Parties, which Appraisals shall, among other things, determine the Net Orderly Liquidation Value of such Inventory owned by the Loan Parties, all at the sole cost and expense of Borrower (subject to the limitations set forth in this ***clause (c)***) and at reasonable times; *provided* that, other than with respect to Appraisals conducted during the continuance of an Event of Default, Administrative Agent shall not exercise such rights more often than two times during any period of twelve (12) consecutive months.

(ii) Additionally, there shall be no limitation on the number or frequency of Appraisals if an Event of Default has occurred and is continuing, and the Loan Parties shall be solely responsible for the costs and expenses of any Appraisals conducted while an Event of Default has occurred and is continuing.

Section 6.7 **Keeping Books and Records**. Each Loan Party shall maintain proper and complete financial and accounting books and records in conformity with GAAP.

Section 6.8 **Compliance with Laws**. Each Loan Party shall (a) comply in all respects with all Anti-Terrorism Laws, Anti-Corruption Laws and applicable Sanctions and (b) comply in all respects with all other applicable Laws (including, without limitation, all Environmental Laws) and decrees of any Governmental Authority or arbitrator, except, in the case of this clause (b), to the extent a failure to so comply could not reasonably be expected to have a Material Adverse Effect.

Section 6.9 **Compliance with Agreements**. Each Loan Party shall comply in all material respects with all of its material obligations and covenants contained in (a) all Material Agreements and (b) all other agreements, contracts, and instruments binding on it or affecting its Properties or business, except, in the case of this clause (b), to the extent a failure to so comply could not reasonably be expected to have a Material Adverse Effect.

Section 6.10 **Further Assurances**. Each Loan Party shall, and shall cause each of its Subsidiaries and each other Loan Party to, execute and deliver such further agreements and instruments and take such further action as may be reasonably requested by Administrative Agent to carry out the provisions and purposes of this Agreement and the other Loan Documents and to create, preserve, and perfect the Liens of Administrative Agent in the Collateral.

Section 6.11 **ERISA**. Each Loan Party shall comply with all minimum funding requirements, and all other material requirements, of ERISA and the Code, if applicable, so as not to give rise to any liability thereunder that would result in a Material Adverse Effect.

Section 6.12 **Depository Relationship; Account Control Agreements**.

(a) Each Loan Party shall, and shall cause each of its Subsidiaries to, (i) use the financial institution serving as Administrative Agent as its principal depository bank, including for the maintenance of business, cash management, operating and administrative Deposit Accounts, (ii) cause all Commodity Accounts, Deposit Accounts (other than Excluded Deposit Accounts) and Securities Accounts held by the Loan Parties as of the Closing Date to be subject to an Account Control Agreement in favor of Administrative Agent, in form and substance reasonably satisfactory to Administrative

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Agent, which provides that Administrative Agent shall have "control" (within the meaning of Section 8.106 or Section 9.104 of the UCC, as applicable) of such account, (iii) at all times maintain Blocked Accounts required by ***Section 2.10*** and (iv) at all times from and after the date that is thirty (30) days after the Closing Date (or such longer period as agreed to by the Administrative Agent in its sole discretion), (A) use commercially reasonable efforts to cause all collections and other Receipts to be directed to Blocked Accounts in accordance with ***Section 2.10*** and (B) comply with its obligations pursuant to ***Section 2.11***.

(b) Each Loan Party shall, with respect to each Deposit Account (other than Excluded Deposit Accounts), Securities Account and Commodity Account that such Loan Party at any time opens, maintains or acquires after the Closing Date, substantially contemporaneously with the opening or acquisition of such Deposit Account, Securities Account or Commodity Account and prior to the depositing any funds therein or transferring any assets thereto, enter into an Account Control Agreement that is effective for the Administrative Agent to obtain "control" (within the meaning of Chapter 8 or Chapter 9 of the UCC, as applicable) and otherwise in form and substance satisfactory to the Administrative Agent, and pursuant to which the depository bank that maintains such Deposit Account, securities intermediary that maintains such Securities Account, or commodities intermediary that maintains such Commodity Account, as applicable, agrees to comply at any time with instructions from the Administrative Agent to such depository bank, securities intermediary or commodities intermediary directing the disposition of funds from time to time credited to such Deposit Account, Securities Account or Commodity Account, without further consent of such Loan Party. No Loan Party shall permit any Deposit Account excluded from the requirements of this ***Section 6.12*** as a result of such Deposit Account constituting an Excluded Deposit Account to cease to qualify as an Excluded Deposit Account unless and until such account is subject to an Account Control Agreement.

(c) Before opening or replacing any Deposit Account intended to be utilized for the receipt of cash, checks or other similar payments relating to or constituting payments made in respect of Accounts or other receivables or establishing a new lockbox, the Borrower shall (i) obtain the Administrative Agent's consent in writing to the opening of such Deposit Account or establishing of such lockbox, and (ii) cause each bank or financial institution in which it seeks to open (A) any such Deposit Account, to enter into an Account Control Agreement with the Administrative Agent in order to give the Administrative Agent control (within the meaning of Section 9.104 of the UCC) of such Deposit Account and provide for a daily sweep into the Collection Account, or (B) a lockbox, to enter into a Lockbox Agreement with the Administrative Agent in order to give the Administrative Agent control (within the meaning of Section 9.104 of the UCC) of the lockbox and provide for a daily sweep into the Collection Account.

(d) Borrower shall establish and maintain, at Borrower's expense, the Liquidity Reserve Account with Administrative Agent. Borrower agrees that only Administrative Agent shall have the right to direct withdrawals from the Liquidity Reserve Account. Borrower shall not take any action to close or terminate the Collection Account or the Liquidity Reserve Account without the prior written consent of Administrative Agent.

Section 6.13 **Additional Guarantors**. Borrower shall notify Administrative Agent at the time that any Person becomes a Subsidiary of a Loan Party (whether by formation, acquisition, merger or otherwise), and promptly thereafter (and in any event within five (5) Business Days) (a) execute and deliver or cause to be executed and delivered to Administrative Agent all Security Documents, stock certificates, stock powers and other agreements and

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instruments as may be requested by Administrative Agent to ensure that Administrative Agent has a perfected Lien on all Equity Interests held by any Loan Party in such Subsidiary, and (b) cause such new Subsidiary to (i) become a Guarantor by executing and delivering to Administrative Agent a Guaranty or a Guarantor Joinder Agreement, (ii) execute and deliver all Security Documents requested by Administrative Agent pledging to Administrative Agent for the benefit of the Secured Parties all of its Property constituting Collateral (subject to such exceptions as Administrative Agent may permit in its sole discretion) and take all actions required by Administrative Agent to grant to Administrative Agent for the benefit of Secured Parties a perfected first priority security interest in such Property, subject to Permitted Liens, including the execution and delivery of Account Control Agreements to the extent required pursuant to ***Section 6.12*** and the filing of UCC financing statements in such jurisdictions as may be requested by Administrative Agent, and (iii) deliver to Administrative Agent such other documents and instruments as Administrative Agent may reasonably require, including appropriate favorable opinions of counsel to such Person in form, content and scope reasonably satisfactory to Administrative Agent.

Section 6.14 **Sanctions; Anti-Corruption Laws**. The Loan Parties will maintain in effect policies and procedures designed to promote compliance by the Loan Parties and their respective directors, officers, employees, and agents with applicable Sanctions and with the FCPA and any other applicable Anti-Corruption Laws.

Section 6.15 **Post-Closing Covenant**. The Loan Parties shall execute and deliver the documents and take each action set forth on ***Schedule 6.15***, in each case within the applicable corresponding time limits specified on such schedule.

Section 6.16 **Inventory; Collateral Access Agreements**. Subject to ***Section 6.15***, any of Borrower's Inventory that does not constitute Inventory "in transit" is located at a location leased by Borrower or any Affiliate of Borrower or in the possession or control of any Person (other than a customer of Borrower), the Borrower shall notify the landlord or such Person, as applicable, of Administrative Agent's security interest therein and instruct and use commercially reasonable efforts to cause such Person to execute a Collateral Access Agreement or otherwise acknowledge in writing its agreement to hold all such Inventory for the benefit of Administrative Agent and subject to Administrative Agent's instructions; *provided* that if the Borrower is unable to have such Person execute a Collateral Access Agreement, then such failure shall not constitute a Default or Event of Default under this Agreement, but Administrative Agent may, at any time after the date that is ninety (90) days following the Closing Date, establish a Rent Reserve. Subject to ***Section 6.15***, if any Inventory of Borrower is located in a third party warehouse facility under a bailment arrangement with a warehouse operator, bailee, or other third party and if so requested by Administrative Agent, the Borrower and such other Loan Parties (as promptly as possible after requested by Administrative Agent but in any event within five (5) Business Days after any such request is made) will deliver (i) to Administrative Agent warehouse receipts covering Borrower's Inventory located in such warehouses showing Administrative Agent as the beneficiary thereof and (ii) to the warehouseman such agreements relating to the release of warehouse Inventory as Administrative Agent may reasonably request; *provided* that if Borrower is unable to have such Person execute a Collateral Access Agreement, then such failure shall not constitute a Default or Event of Default under this Agreement, but Administrative Agent may establish a Rent Reserve; *provided* that Borrower shall have ninety (90) days from the date any such Inventory is located at a warehouse pursuant to an agreement that was not in effect on the Closing Date to obtain a Collateral Access Agreement for such location before a Rent Reserve with respect to such location may be implemented. To the extent any Eligible Inventory included in the Borrowing Base is stored and held in a warehouse that includes Inventory owned by any Subsidiary of Ultimate Parent other than Borrower, Borrower shall (i) cause such Eligible Inventory to be located at a warehouse that at all times has a Warehouse Operating System, (ii) cause the operator of such warehouse to include all such Eligible Inventory and other

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Inventory in the Warehouse Operating System and (iii) to the extent practicable, cause the operator of such warehouse to segregate such Eligible Inventory from Inventory owned by any Subsidiary of Ultimate Parent other than Borrower.

Section 6.17 **Maintenance of Separate Existence**.

The Borrower shall take all reasonable steps to continue its identity and the identity of its Subsidiaries as separate legal entities and to make it apparent to third Persons that it and its Subsidiaries are entities with assets and liabilities distinct from those of the Affiliated Entities or any other Person, and that neither it nor any of its Subsidiaries is a division of any of the Affiliated Entities or any other Person. In that regard the Borrower shall, and to the extent applicable shall cause each of its Subsidiaries to:

(i) maintain its limited liability company existence and make independent decisions with respect to its daily operations and business affairs and, other than pursuant to the terms of the limited liability company agreement of the Borrower, not be controlled in making such decisions by any other Affiliated Entity or any other Person;

(ii) maintain its assets in a manner which facilitates their identification and segregation from those of any of the other Affiliated Entities;

(iii) except as expressly otherwise permitted hereunder, conduct all intercompany transactions with the other Affiliated Entities on terms which the Borrower reasonably believes to be on an arm's length basis;

(iv) except as contemplated under any Loan Document, not guarantee any obligation of any of the other Affiliated Entities, nor have any of its obligations guaranteed by any other Affiliated Entity or hold itself out as responsible for the debts of any other Affiliated Entity or for the decisions or actions with respect to the business and affairs of any other Affiliated Entity;

(v) except as expressly otherwise permitted hereunder or contemplated under any of the other Loan Documents, not permit the commingling or pooling of its funds or other assets with the assets of any other Affiliated Entity;

(vi) maintain separate deposit and other bank accounts to which no other Affiliated Entity has any access;

(vii) not have any employees and shall outsource all of its daily operations to the Manager pursuant to the Management Services Agreement;

(viii) pay for its own account, directly from the Borrower's own funds or indirectly through documented capital contributions from any of Parent, Holdings, or any other direct or indirect parent of the Borrower, for accounting and payroll services, rent, lease and other expenses (or its allocable share of any such amounts provided by one or more other Affiliated Entity) and not have such operating

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expenses (or the Borrower's allocable share thereof) paid by any of the Affiliated Entities;

(ix) conduct its business (whether in writing or orally) solely in its own name through its duly authorized officers, employees and agents, including the Manager; and

(x) otherwise practice and adhere to limited liability company formalities such as complying with its organizational documents and member and board of director resolutions, the holding of regularly scheduled meetings of the member and board of directors, and maintaining complete and correct books and records and minutes of meetings and other proceedings of its member and board of directors.

ARTICLE 7.

NEGATIVE COVENANTS

Each Loan Party covenants and agrees that until the Obligations have been Paid in Full and no Lender has any Commitment hereunder:

Section 7.1 **Debt**. No Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, incur, create, assume, or permit to exist any Debt, except:

(a) the Obligations (other than Hedge Obligations);

(b) Hedge Obligations existing or arising under Hedging Agreements permitted by ***Section 7.16***;

(c) Debt associated with bonds or other surety obligations required by Governmental Authorities in connection with the operation of the businesses of the Loan Parties;

(d) endorsements of negotiable instruments for collection in the ordinary course of business;

(e) so long as the Subordination Agreement is in effect, unsecured Debt outstanding under the Subordinated Intercompany Note; and

(f) other Debt not to exceed $[***] in the aggregate at any time outstanding; *provided* that such Debt is unsecured.

Section 7.2 **Limitation on Liens**. No Loan Party shall, nor shall it permit any of its Subsidiaries to, incur, create, assume, or permit to exist any Lien upon any of its Property, assets, or revenues, whether now owned or hereafter acquired, except:

(a) Liens in favor of Administrative Agent for the benefit of the Secured Parties;

(b) encumbrances consisting of minor easements, zoning restrictions, or other restrictions on the use of real Property that do not (individually or in the aggregate)

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materially affect the value of the assets encumbered thereby or materially impair the ability of any Loan Party or its Subsidiaries to use or operate such assets in their respective businesses, and none of which is violated in any material respect by existing or proposed structures or land use or operation;

(c) Liens for Taxes, assessments, or other governmental charges which are not delinquent or which are being contested in good faith by appropriate proceedings diligently pursued and for which adequate reserves in accordance with GAAP have been established;

(d) Liens of mechanics, materialmen, warehousemen, carriers, or other similar statutory Liens securing obligations incurred in the ordinary course of business that are not yet due or which are being contested in good faith by appropriate proceedings diligently pursued and for which adequate reserves in accordance with GAAP have been established;

(e) Liens resulting from good faith deposits to secure payments of workmen's compensation or other social security programs (other than Liens imposed by ERISA);

(f) Liens arising by virtue of a judgment or judicial order against the Loan Parties or any Property, so long as the related judgment or judicial order does not constitute or give rise to an Event of Default;

(g) Liens resulting from good faith deposits to secure the performance of bids, tenders, trade contracts (other than for payment of Debt), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(h) Banker's Liens, rights of setoff and other similar Liens existing pursuant to any agreement relating to a Deposit Account subject to an Account Control Agreement; and

(i) other Liens on Property (other than Accounts or Inventory) securing Debt or other obligations not to exceed $[***] in the aggregate at any time outstanding.

Section 7.3 **Mergers, Etc**. No Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, become a party to a merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets of any Person or any shares or other evidence of beneficial ownership of any Person, or wind-up, dissolve, divide or liquidate, except that:

(a) any Subsidiary may merge or consolidate with Borrower so long as Borrower is the surviving entity; and

(b) any Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Borrower.

Section 7.4 **Restricted Payments**. No Loan Party shall, nor shall it permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except:

(a) so long as no Event of Default exists, distributions of cash by the Borrower not to exceed the amount received by the Borrower under ***Section 2.4(d)***;

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provided that such distribution is made within three (3) Business Days of the receipt of such amounts;

(b) Borrower may make Restricted Payments with respect to its Equity Interests payable solely in additional shares of its Equity Interests (other than Disqualified Equity Interests); and

(c) Subsidiaries may declare and pay dividends and other Restricted Payments to Borrower and any other Subsidiary of Borrower that is a Loan Party.

Section 7.5 **Loans and Investments**. No Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, make, hold or maintain, any advance, loan, extension of credit, or capital contribution to or investment in, Guarantee any obligations of, or purchase any stock, bonds, notes, debentures, or other securities of, any Person, or consummate any Acquisition, except:

(a) investments in Subsidiaries that are Guarantors;

(b) investments in Cash Equivalents;

(c) investments consisting of Hedge Agreements permitted under ***Section 7.16***; and

(d) advances or extensions of credit in the form of accounts receivable incurred in the ordinary course of business and upon terms common in the industry for such accounts receivable which are not more than 60 days past due and are paid in cash.

Section 7.6 **[Reserved]**.

Section 7.7 **Transactions With Affiliates**. No Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into any transaction, including, without limitation, the purchase, sale, or exchange of Property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate of any Loan Party or such Subsidiary, except:

(a) transactions pursuant to the Management Services Agreement, the Master Intercompany Purchase Agreement and the Subordinated Intercompany Note, in each case as in effect on the Closing Date or as amended or otherwise modified after the Closing Date to the extent permitted under ***Section 7.15***;

(b) transactions entered into in the ordinary course of and pursuant to the reasonable requirements of such Loan Party's or such Subsidiary's business, pursuant to a transaction which is otherwise expressly permitted under this Agreement, and upon fair and reasonable terms no less favorable to such Loan Party or such Subsidiary than would be obtained in a comparable arm's-length transaction with a Person not an Affiliate of a Loan Party or such Subsidiary;

(c) transactions solely among Loan Parties;

(d) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, managers, consultants, officers and employees of Parent to the extent attributable to the ownership and operation of the Loan Parties; and

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(e) Restricted Payments permitted by ***Section 7.4***.

Section 7.8 **Disposition of Assets**. No Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly make any Disposition, except:

(a) Dispositions of Inventory in the ordinary course of business;

(b) Dispositions, for fair value, of worn-out or obsolete equipment not necessary or useful to the conduct of the Loan Parties' business;

(c) Dispositions from any Loan Party to Borrower;

(d) Dispositions of cash and Cash Equivalents in connection with any transaction not prohibited under this Agreement;

(e) the write-off, discount, sale or other Disposition of defaulted or past-due receivables and similar obligations in the ordinary course of business and not undertaken as part of an accounts receivable financing transaction;

(f) non-exclusive licenses and sublicenses of intellectual property rights in the ordinary course of business not interfering in any material respect with the ordinary conduct of or materially detracting from the value of the business of the Loan Parties and their Subsidiaries;

(g) the abandonment or Disposition of intellectual property rights that are no longer used or useful in the business of the Loan Parties and their Subsidiaries;

(h) Dispositions of Property resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, such Property;

(i) Dispositions constituting Restricted Payments permitted under ***Section 7.4*** or investments permitted under ***Section 7.5***; or

(j) other Dispositions of Property (other than Accounts, Inventory or material Intellectual Property) not otherwise permitted under this ***Section 7.8***; *provided* that the aggregate fair market value (as reasonably determined by the Borrower in good faith) of all Property Disposed of pursuant to this ***clause (j)*** in any twelve month period shall not exceed the greater of (i) $[***] or (ii) [***]% of the Line Cap (determined based on the most recently delivered Borrowing Base Certificate).

Section 7.9 **[Reserved]**.

Section 7.10 **Nature of Business**. No Loan Party shall, nor shall it permit any of its Subsidiaries to, engage in any business other than the businesses in which they are engaged as of the date hereof or businesses directly related thereto. No Loan Party shall, nor shall it permit any of its Subsidiaries to, make any material change in its credit collection policies if such change would materially impair the collectability of any Account.

Section 7.11 **Environmental Protection**. No Loan Party shall, directly or indirectly (a) use (or permit any tenant to use) any of their respective Properties or assets for the handling, processing, storage, transportation, or disposal of any Hazardous Material in violation of, or in a manner or to a location that could give rise to liability under, any applicable Environmental Laws, (b) generate any Hazardous Material in violation of any applicable Environmental Laws,

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or (c) conduct any activity that is likely to cause a Release or threatened Release of any Hazardous Material in violation of any applicable Environmental Laws, in the case of each of clause (a) through (c) to the extent such failure could reasonably be expected to have a Material Adverse Effect.

Section 7.12 **[Reserved]**.

Section 7.13 **Burdensome Agreements**. Each Loan Party shall not enter into or permit to exist any arrangement or agreement, other than pursuant to this Agreement or any other Loan Document, which (a) directly or indirectly prohibits it from creating or incurring a Lien in favor of the Administrative Agent on any of its Property, revenues, or assets, whether now owned or hereafter acquired or (b) directly or indirectly prohibits any of its Subsidiaries or any other Loan Party making any payments, directly or indirectly, to any other Loan Party by way of dividends, distributions, advances, repayments of loans, repayments of expenses, accruals, or otherwise.

Section 7.14 **Subsidiaries**. The Borrower shall not, directly or indirectly, form or acquire any Subsidiary other than wholly-owned Subsidiaries that become Guarantors hereunder in accordance with ***Section 6.13***.

Section 7.15 **Amendments of Certain Documents**. No Loan Party shall, nor shall it permit any of its Subsidiaries to, amend, restate, supplement or otherwise modify any of the terms or provisions of, or waive any of its rights under, (a) their respective Constituent Documents or (b) any Material Agreement, in each case, in a manner, when taken together with all other modifications to such agreement or document since the Closing Date, that is materially adverse to the interest of the Lenders or the Loan Parties, without the prior written consent of Administrative Agent; *provided* that (i) the Subordinated Intercompany Note may be amended in accordance with the terms of the Subordination Agreement and (ii) the foregoing shall not prohibit any amendment to the Management Services Agreement that would increase the Manager Fee so long as the amount and method of determination of the Manager Fee payable by the Loan Parties after giving effect to such amendment are fair and reasonable and no less favorable to the Loan Parties than would be paid for such services in a comparable arm's-length transaction with a Person not an Affiliate of a Loan Party.

Section 7.16 **Hedge Agreements**. No Loan Party shall enter into any Hedge Agreement, except Hedge Agreements entered into in the ordinary course of business to hedge or mitigate risks to which Borrower has actual exposure and not for speculative purposes.

Section 7.17 **Anti-Corruption Laws; Sanctions; Anti-Terrorism Laws**. No Loan Party will, directly or indirectly, use the proceeds of the Loans or Letters of Credit, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of the FCPA or any other applicable Anti-Corruption Law, or (b) (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans or Letters of Credit, whether as Administrative Agent, Arranger, Lender, underwriter, advisor, investor, or otherwise).

Section 7.18 **Prepayment of Debt.**

(a) Except as otherwise expressly permitted under the Loan Documents, no Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, make

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any optional or voluntary payment, prepayment, repurchase or redemption of any Junior Debt (other than Debt outstanding under the Subordinated Intercompany Note).

(b) No Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, pay or make any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Debt outstanding under the Subordinated Intercompany Note, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Debt outstanding under the Subordinated Intercompany Note; *provided* that Borrower may make Permitted Subordinated Debt Payments (as defined in the Subordination Agreement).

ARTICLE 8.

[RESERVED]

ARTICLE 9.

DEFAULT

Section 9.1 **Events of Default**. Each of the following shall be deemed an "***Event of Default***":

(a) Borrower shall fail to pay the Obligations under the Loan Documents or any part thereof shall not be paid when due or declared due; *provided* that the Administrative Agent shall apply funds in the Collection Account to the payment of any Obligations that are not paid when due or declared due and an Event of Default shall only occur under this ***clause (a)*** to the extent funds in the Collection Account are not sufficient to pay all Obligations then due and owing in full;

(b) Any Loan Party shall breach any provision of (i) ***Sections 6.1(f)***, ***(g)***, ***(h)***, ***(l)*** or ***(v)***, ***6.2***, ***6.5***, ***6.6*** (in circumstances where a Loan Party is taking, or has taken, affirmative measures or intentionally is omitting, or has omitted, to take otherwise required actions, in each case, that have the effect of precluding, materially delaying or limiting the scope of any inspection, field examination or Appraisal), ***6.12*** or ***6.15*** or ***Article 7*** of this Agreement or (ii) ***Sections 6.1*** (other than ***clauses (f)***, ***(g)***, ***(h)***, ***(l)*** or ***(v)*** thereof) and ***6.13*** and in the case of this clause (ii), such failure continues for more than five (5) Business Days;

(c) Any representation or warranty made or deemed made by or on behalf of any Loan Party in any Loan Document or in any certificate, report, notice, or financial statement furnished at any time in connection with this Agreement or any other Loan Document shall be false, misleading, or erroneous in any material respect (without duplication of any materiality qualifier contained therein) when made or deemed to have been made;

(d) Any Loan Party or any Subsidiary of any Loan Party shall fail to perform, observe, or comply with any covenant, agreement, or term contained in this Agreement or any other Loan Document (other than as covered by ***Sections 9.1(a)*** and ***(b)***), and such failure continues for more than thirty (30) days following the earlier of (x) notice of such failure from Administrative Agent to Borrower and (y) the date a Responsible Officer of Borrower first knows of such failure;

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(e) Ultimate Parent, Parent, Holdings, or any Loan Party shall commence a voluntary proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar Law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or a substantial part of its Property or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it or shall make a general assignment for the benefit of creditors or shall generally fail to pay its debts as they become due or shall take any corporate action to authorize any of the foregoing;

(f) An involuntary proceeding shall be commenced against Ultimate Parent, Parent, Holdings, or any Loan Party seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, or other similar Law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official for it or a substantial part of its Property, and such involuntary proceeding shall remain undismissed and unstayed for a period of sixty (60) days;

(g) There shall occur an Early Termination Date (as defined in a Hedge Agreement) under any Hedge Agreement to which any Loan Party or Subsidiary of a Loan Party is a party resulting from (1) any event of default under such Hedge Agreement to which any Loan Party or any Subsidiary of any Loan Party is the Defaulting Party (as defined in such Hedge Agreement), or (2) any Termination Event (as so defined) under such Hedge Agreement as to which any Loan Party or any Subsidiary of any Loan Party is an Affected Party (as so defined) and, in either event, the Hedge Termination Value, if any, owed by any Loan Party or any Subsidiary of any Loan Party as a result thereof exceeds $[***];

(h) This Agreement or any other Loan Document shall cease to be in full force and effect or shall be declared null and void or the validity or enforceability thereof shall be contested or challenged by any Loan Party or any of their respective equity holders, or a Loan Party shall deny in writing that it has any further liability or obligation under any of the Loan Documents, or any Lien created by the Loan Documents shall for any reason cease to be a valid, first priority perfected Lien (subject to Permitted Liens that have priority over the Liens in favor of the Administrative Agent under applicable Law or that are expressly permitted to have priority over such Liens pursuant to the terms of the Loan Documents) upon any of the Collateral purported to be covered thereby;

(i) Any ERISA Event shall have occurred with respect to any Loan Party or any ERISA Affiliate that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(j) A final judgment or judgments for the payment of money in excess of $[***] in the aggregate shall be rendered by a court or courts against any Loan Party or any Subsidiary of any Loan Party and the same shall not be discharged (or provision shall not be made for such discharge), or a stay of execution thereof shall not be procured, within thirty (30) days from the date of entry thereof and such Loan Party shall not, within such period of thirty (30) days, or such longer period during which execution of the same shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal;

(k) (i) Any failure by the Parent to perform its obligations under the Performance Guaranty or (ii) any failure by the Manager to perform its obligations under the Management Services Agreement, and, in either case, such failure, if capable of cure,

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continues for more than thirty (30) days following the earlier of (x) notice of such failure from Administrative Agent to Borrower and (y) the date a Responsible Officer of Borrower first knows of such failure;

(l) The Manager resigns or is removed under the Management Services Agreement and a replacement reasonably acceptable to the Administrative Agent has not accepted an appointment under the Management Services Agreement within five (5) Business Days of such resignation or removal; or

(m) The subordination provisions of the Subordination Agreement or the Subordinated Intercompany Note shall for any reason be revoked or invalidated, or otherwise cease to be in full force and effect, or any Person shall contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations under the Loan Documents, for any reason shall not have the priority contemplated by this Agreement or any such subordination provisions.

Section 9.2 **Remedies Upon Default**. If any Event of Default shall occur and be continuing, then Administrative Agent may, with the consent of the Required Lenders, or shall, at the direction of the Required Lenders, without notice to the Borrower do any or all of the following: (a) terminate the Commitments of the Lenders (except for funding obligations of outstanding Letters of Credit), (b) terminate the obligations of L/C Issuer to make L/C Credit Extensions, (c) require that Borrower Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto), and/or (d) declare the Obligations (other than the Obligations arising out of Bank Product Agreements) or any part thereof to be immediately due and payable, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, protest, or other formalities of any kind, all of which are hereby expressly waived by Borrower and each other Loan Party; *provided*, *however*, that upon the occurrence of an Event of Default under ***Section 9.1(e)*** or ***(f)***, the Commitments of the Lenders shall automatically terminate (except for funding obligations of outstanding Letters of Credit), the obligations of L/C Issuer to make L/C Credit Extensions shall automatically terminate, the obligation of Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, and the Obligations (other than the Obligations arising out of Bank Product Agreements) shall become immediately due and payable, in each case without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, protest, or other formalities of any kind, all of which are hereby expressly waived by Borrower and each other Loan Party. In addition to the foregoing, if any Event of Default shall occur and be continuing, Administrative Agent may, with the consent of the Required Lenders, or shall, at the direction of the Required Lenders, exercise all rights and remedies available to it, Lenders and L/C Issuer in law or in equity, under the Loan Documents, or otherwise.

Section 9.3 **Application of Funds**. After, or in connection with, the exercise of remedies provided for in ***Section 9.2*** (or if an Event of Default exists and the written notice thereof, if any, to Borrower from Administrative Agent expressly provides that this ***Section 9.3*** shall thereafter apply to any amounts received on account of the Obligations or after the Loans have automatically become immediately due and payable), any amounts received on account of the Obligations and amounts credited to the Collection Account, any other Deposit Account subject to an Account Control Agreement and the Liquidity Reserve Account, shall be applied by Administrative Agent in the following order:

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First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to Administrative Agent) payable to Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest, and Letter of Credit Fees) payable to Lenders and L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders and L/C Issuer) arising under the Loan Documents, ratably among them in proportion to the respective amounts described in this ***clause Second*** payable to them;

Third, to payment of interest due in respect of Protective Advances;

Fourth, to payment of principal of Protective Advances;

Fifth, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans (other than Protective Advances), L/C Borrowings and other Obligations arising under the Loan Documents, ratably among Lenders and L/C Issuer in proportion to the respective amounts described in this ***clause Fifth*** payable to them;

Sixth, to payment of that portion of the Obligations constituting unpaid principal of the Loans (other than Protective Advances) and L/C Borrowings and constituting unpaid Bank Product Obligations, ratably among Lenders and Bank Product Providers in proportion to the respective amounts described in this ***clause Sixth*** held by them;

Seventh, to Administrative Agent for the account of L/C Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by Borrower pursuant to ***Sections 2.2*** and ***2.6***;

Eighth, to payment of that remaining portion of the Obligations, ratably among the Lenders and Bank Product Providers in proportion to the respective amounts described in this ***clause Eighth*** held by them;

Ninth, to payment of any amounts that remain owing to the Manager under the Management Services Agreement; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to Borrower or as otherwise required by Law.

Notwithstanding anything to the contrary herein or in any other Loan Document, no amount received from any Loan Party shall be applied to any Excluded Swap Obligation of such Loan Party, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve allocation to Obligations otherwise set forth in this Section.

Further notwithstanding, Bank Product Obligations shall be excluded from the application described above if Administrative Agent has not received written notice thereof, together with supporting documentation as Administrative Agent may request from the applicable Bank Product Provider, *provided* that no such notice shall be required for any Bank

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Product Agreement for which Administrative Agent or any Affiliate of Administrative Agent is the applicable Bank Product Provider. Each Bank Product Provider that is not a party to this Agreement that has given notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of Administrative Agent pursuant to the terms of ***Article 10*** hereof for itself and its Affiliates as if a "Lender" party hereto.

Section 9.4 **Performance by Administrative Agent**. If any Loan Party shall fail to perform any covenant or agreement contained in any of the Loan Documents, then Administrative Agent may (but shall have no obligation to) perform or attempt to perform such covenant or agreement on behalf of such Loan Party. In such event, Borrower shall, at the request of Administrative Agent, promptly pay to Administrative Agent any amount expended by Administrative Agent in connection with such performance or attempted performance, together with interest thereon at the Default Interest Rate from and including the date of such expenditure to but excluding the date such expenditure is paid in full. Notwithstanding the foregoing, it is expressly agreed that Administrative Agent shall not have any liability or responsibility for the performance of any covenant, agreement, or other obligation of Borrower or any other Loan Party under this Agreement or any other Loan Document.

ARTICLE 10.

AGENCY

Section 10.1 **Appointment and Authority**.

(a) Each Lender (in its capacity as a Lender and in its capacity as a Bank Product Provider or a potential Bank Product Provider), including each person that becomes a Lender hereunder after the Closing Date, and L/C Issuer hereby irrevocably appoints Texas Capital Bank to act on its behalf as Administrative Agent hereunder and under the other Loan Documents and irrevocably authorizes Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this ***Article 10*** are solely for the benefit of Administrative Agent, Lenders, and L/C Issuer, and neither Borrower nor any other Loan Party shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Administrative Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders (including, for itself and its Affiliates, in their capacities as potential Bank Product Providers) and L/C Issuer hereby irrevocably appoints and authorizes Administrative Agent to act as the agent of such Lender and L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, Administrative Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by Administrative Agent pursuant to ***Section 10.5*** for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the

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Security Documents, or for exercising any rights and remedies thereunder at the direction of Administrative Agent, shall be entitled to the benefits of all provisions of this ***Article 10*** and ***Article 11*** (including ***Section 11.1(b)***, as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents) as if set forth in full herein with respect thereto.

(c) Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and of the guarantees of the Obligations provided under the Loan Documents, to have agreed to the provisions of this ***Article 10***.

Section 10.2 **Rights as a Lender**. The Person serving as Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Administrative Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, Borrower or any other Loan Party or any Subsidiary or other Affiliate thereof as if such Person were not Administrative Agent hereunder and without any duty to account therefor to Lenders or to provide notice to or obtain the consent of the Lenders with respect thereto.

Section 10.3 **Exculpatory Provisions**.

(a) Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, Administrative Agent:

(i) shall not be subject to any agency, trust, fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of Lenders as shall be expressly provided for herein or in the other Loan Documents) or is required to exercise as directed in writing by any other party to any intercreditor agreement, as applicable; *provided* that Administrative Agent shall not be required to take any action that, in its opinion or upon the advice of its counsel, may expose Administrative Agent to liability or that is contrary to any Loan Document or applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of Property of a Defaulting Lender in violation of any Debtor Relief Law;

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Borrower or any other Loan Party or any of their respective Affiliates that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity;

(iv) shall be fully justified in failing or refusing to take any action hereunder or under any other Loan Document unless it shall first be indemnified to its satisfaction by Lenders pro rata against any and all liability, cost and

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expense that it may incur by reason of taking or continuing to take any such action; and

(v) does not warrant or accept responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of "Term SOFR", "Adjusted Term SOFR" or with respect to any Benchmark Replacement or other rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate.

(b) Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of Lenders as shall be necessary, or as Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in ***Sections 9.2*** and ***10.9***), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and non-appealable judgment. **SUCH LIMITATION OF LIABILITY SHALL APPLY REGARDLESS OF WHETHER THE LIABILITY ARISES FROM THE SOLE, CONCURRENT, CONTRIBUTORY OR COMPARATIVE NEGLIGENCE OF ADMINISTRATIVE AGENT.** Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to Administrative Agent in writing by Borrower or any other Loan Party, a Lender, or L/C Issuer.

(c) Neither Administrative Agent nor any Related Party thereof shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in ***Article 4*** or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to Administrative Agent.

(d) Notwithstanding anything to the contrary herein, Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Lenders. Without limiting the generality of the foregoing, Administrative Agent shall not (i) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Lender or (ii) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Lender.

Section 10.4 **Reliance by Administrative Agent**. Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person, including any certificate delivered by a Loan Party pursuant to ***Section 10.9(a)***. Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Credit Extension, that by its terms must be fulfilled to the satisfaction of a Lender or L/C Issuer, Administrative Agent may

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presume that such condition is satisfactory to such Lender or L/C Issuer unless Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Credit Extension. Administrative Agent may consult with legal counsel (who may be counsel for Borrower or any other Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 10.5 **Delegation of Duties**. Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub agents appointed by Administrative Agent. Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this ***Article 10*** shall apply to any such sub agent and to the Related Parties of Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the Revolving Credit Facility as well as activities as Administrative Agent. Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub agents.

Section 10.6 **Resignation of Administrative Agent**.

(a) Administrative Agent may at any time give notice of its resignation to Lenders, L/C Issuer and Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrower (so long as no Event of Default has occurred and is continuing) (such consent not to be unreasonably conditioned, withheld or delayed), to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders (and if applicable, consented to by the Borrower) and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "***Resignation Effective Date***"), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of Lenders and L/C Issuer, appoint a successor Administrative Agent meeting the qualifications set forth above and, to the extent applicable, consented to by the Borrower; *provided* that in no event shall any successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date. After the Resignation Effective Date, the provisions of this ***Article 10*** relating to or indemnifying or releasing Administrative Agent shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

(b) With effect from the Resignation Effective Date (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any Collateral held by Administrative Agent on behalf of Secured Parties under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such Collateral until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity, fee or expense payments owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through Administrative Agent shall instead be made by or to each Lender or L/C Issuer, as applicable, directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's

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appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent (other than any rights to indemnity payments owed to the retiring Administrative Agent), and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. After the retiring Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this ***Article 10***, ***Section 11.1***, and ***Section 11.2*** shall continue in effect for the benefit of such retiring Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

(c) Any resignation by Texas Capital Bank as Administrative Agent pursuant to this ***Section 10.6*** shall also constitute its resignation as L/C Issuer unless the notice thereof otherwise provides. If Texas Capital Bank resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require Lenders to make Revolving Credit Loans or fund risk participations in Unreimbursed Amounts pursuant to ***Section 2.2(c)***. Upon the appointment by Borrower of a successor L/C Issuer hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer, (ii) the retiring L/C Issuer shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (iii) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Texas Capital Bank to effectively assume the obligations of Texas Capital Bank with respect to such Letters of Credit.

Section 10.7 **Non-Reliance on Administrative Agent and Other Lenders**. Each Lender and L/C Issuer expressly acknowledges that neither Administrative Agent nor L/C Issuer, the Arranger, any other Lender nor any Related Party thereto has made any representation or warranty to such Person and that no act by Administrative Agent, L/C Issuer, the Arranger or any other Lender hereafter taken, including any consent to, and acceptance of any assignment or review of the affairs of Borrower or any other Loan Party or any Affiliate thereof, shall be deemed to constitute any representation or warranty by Administrative Agent, L/C Issuer, the Arranger or any Lender to any other Lender as to any matter, including whether the Administrative Agent or the Arranger have disclosed material information in their (or their Related Parties') possession. Each Lender and L/C Issuer acknowledges that it has, independently and without reliance upon Administrative Agent, L/C Issuer, the Arranger or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis of, appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and its Subsidiaries, and all applicable bank or other regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Lender and L/C Issuer also acknowledges that it will, independently and without reliance upon Administrative Agent, L/C Issuer, the Arranger or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder, and to make such investigations as it deems necessary to inform itself as to the business, prospects,

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operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly required to be furnished to L/C Issuer or the Lenders by Administrative Agent hereunder, Administrative Agent shall not have any duty or responsibility to provide L/C Issuer or any Lender with any credit or other information concerning the business, operations, Property, condition (financial or otherwise), or creditworthiness of Borrower or any other Loan Party or the value of the Collateral or other Properties of Borrower or any other Loan Party or any other Person which may come into the possession of Administrative Agent or any of its Related Parties. Each Lender and L/C Issuer represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and certain other facilities set forth herein and (ii) it is engaged in making, acquiring or holding commercial loans, issuing or participating in letters of credit or providing other similar facilities in the ordinary course and is entering into this Agreement as a Lender or L/C Issuer for the purpose of making, acquiring or holding commercial loans, issuing or participating in letters of credit and providing other facilities set forth herein as may be applicable to such Lender or L/C Issuer, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender and L/C Issuer agrees not to assert a claim in contravention of the foregoing. Each Lender and L/C Issuer represents and warrants that it is sophisticated with respect to decisions to make, acquire or hold commercial loans, issue or participate in letters of credit and to provide other facilities set forth herein, as may be applicable to such Lender or L/C Issuer, and either it, or the Person exercising discretion in making its decision to make, acquire or hold such commercial loans, issue or participate in letters of credit or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans, issue or participate in letters of credit or providing such other facilities.

Section 10.8 **Administrative Agent May File Proofs of Claim**. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Administrative Agent shall have made any demand on Borrower or any other Loan Party) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations under the Loan Documents that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of Lenders, L/C Issuer, and Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of Lenders, L/C Issuer, and Administrative Agent and their respective agents and counsel and all other amounts due Lenders, L/C Issuer, and Administrative Agent under ***Section 11.1*** or ***Section 11.2***) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other Property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and L/C Issuer to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to Lenders and L/C Issuer, as applicable, to pay to Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Administrative Agent and its agents and counsel, and any other amounts due Administrative Agent under ***Section 11.1*** or ***Section 11.2***.

Section 10.9 **Collateral and Guaranty Matters**.

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(a) The Secured Parties irrevocably authorize Administrative Agent, at its option and in its discretion:

(i) to release any Lien on any Property granted to or held by Administrative Agent under any Loan Document (A) upon Payment in Full, (B) that is Disposed of or to be Disposed of as part of or in connection with any Disposition permitted under the Loan Documents, or (C) if approved, authorized or ratified in writing by the Required Lenders or all Lenders, as applicable, under ***Section 11.10***;

(ii) to subordinate any Lien on any Property granted to or held by Administrative Agent under any Loan Document to the holder of any Lien on such Property that is permitted by ***Section 7.2***;

(iii) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents; and

(iv) to take any other action with respect to the Collateral that is permitted or required under any intercreditor agreement.

Upon request by Administrative Agent at any time, the Required Lenders will confirm in writing Administrative Agent's authority to release or subordinate its interest in particular types or items of Property, or to release any Guarantor from its obligations under the Guaranty pursuant to this ***Section 10.9***. Upon the occurrence of any of the events specified in ***Section 10.9(a)(i)(A)***, ***(B)*** or ***(C)*** or ***Section 10.9(a)(iii)***, at Borrower's sole cost and expense, Administrative Agent shall execute and deliver to Borrower such documentation as Borrower may reasonably request in writing to release the applicable Collateral from the Liens created by the Loan Documents and/or release the applicable Guarantor from its obligations under its Guaranty, as the case may be. In connection with any such request by Borrower, Administrative Agent may request, and if requested by Administrative Agent, Borrower shall deliver a written certificate of a Responsible Officer of Borrower certifying that the applicable transaction is permitted under the Loan Documents (and Administrative Agent may rely conclusively on any such certificate without further inquiry and shall have no liability to any Secured Party for any inaccuracy or misrepresentation contained therein).

(b) Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall Administrative Agent be responsible or liable to Lenders for any failure to monitor or maintain any portion of the Collateral.

Section 10.10 **Bank Product Agreements**. No Bank Product Provider who obtains the benefits of ***Section 9.3***, any Guaranty or any Collateral by virtue of the provisions hereof or of any Guaranty or any Security Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) (or to notice of or to consent to any amendment, waiver or modification of the provisions hereof or of the Guaranty or any Security Document) other than in its capacity as a Lender and, in such case, only to the

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extent expressly provided in the Loan Documents. Notwithstanding any other provision of this ***Article 10*** to the contrary, Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Bank Product Obligations unless Administrative Agent has received written notice of such Bank Product Obligations, together with such supporting documentation as Administrative Agent may request, from the applicable Bank Product Provider. Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Bank Product Obligations arising under Bank Product Agreements upon termination of all Commitments and payment in full of all Obligations under the Loan Documents (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to Administrative Agent and L/C Issuer shall have been made).

Section 10.11 **Certain ERISA Matters**.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, Administrative Agent and the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more benefit plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as *PTE 84-14* (a class exemption for certain transactions determined by independent qualified professional asset managers), *PTE 95-60* (a class exemption for certain transactions involving insurance company general accounts), *PTE 90-1* (a class exemption for certain transactions involving insurance company pooled separate accounts), *PTE 91-38* (a class exemption for certain transactions involving bank collective investment funds) or *PTE 96-23* (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of *Part VI* of *PTE 84-14*), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of *subsections (b)* through *(g)* of *Part I* of *PTE 84-14* and (D) to the best knowledge of such Lender, the requirements of *subsection (a)* of *Part I* of *PTE 84-14* are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between Administrative Agent, in its sole discretion, and such Lender.

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(b) In addition, unless ***sub-clause (i)*** in the immediately preceding ***clause (a)*** is true with respect to a Lender or such Lender has provided another representation, warranty and covenant as provided in ***sub-clause (iv)*** in the immediately preceding ***clause (a)***, such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Administrative Agent, the Arranger or any other arranger of this Agreement or any amendment thereto, or any of their respective Affiliates is a fiduciary with respect to the Collateral or the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

(c) The Administrative Agent and the Arranger hereby informs the Lenders that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Agreement and any other Loan Documents, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

Section 10.12 **Credit Bidding**. The Secured Parties hereby irrevocably authorize Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Loan Party is subject, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by Administrative Agent at the direction of the Required Lenders on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid (i) Administrative Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles, (ii) Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof, shall be

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governed, directly or indirectly, by the vote of the Required Lenders or their permitted assignees under the terms of this Agreement irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in ***Section 11.10*** of this Agreement), (iii) Administrative Agent shall be authorized to assign the relevant Obligations of the Secured Parties to be credit bid to any such acquisition vehicle on a pro rata basis, as a result of which each of the Secured Parties shall be deemed to have received a pro rata portion of any Equity Interests and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (iv) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Obligations credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Secured Parties pro rata with their original interest in such Obligations and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of such Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action.

Section 10.13 **No Other Duties, Etc**. Anything herein to the contrary notwithstanding, none of the Arranger or the syndication agents, documentation agents, co-agents, or bookrunners listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as Administrative Agent, a Lender or a L/C Issuer hereunder.

Section 10.14 **Flood Laws**. Each Lender and each participant is responsible for assuring its own compliance with any applicable Flood Insurance Regulations and Administrative Agent shall have no responsibility therefor.

Section 10.15 **Erroneous Payments**.

(a) If the Administrative Agent notifies a Lender, L/C Issuer or Secured Party, or any Person who has received funds on behalf of a Lender, L/C Issuer or Secured Party (any such Lender, L/C Issuer, Secured Party or other recipient, a "***Payment Recipient***") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding ***clause (b)***) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, L/C Issuer, Secured Party or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "***Erroneous Payment***") and demands the return of such Erroneous Payment (or a portion thereof) (*provided*, that, without limiting any other rights or remedies (whether at law or in equity), the Administrative Agent may not make any such demand under this ***clause (a)*** with respect to an Erroneous Payment unless such demand is made within ten (10) Business Days of the date of receipt of such Erroneous Payment by the applicable Payment Recipient), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender, L/C Issuer or Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the

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Administrative Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this ***clause (a)*** shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding ***clause (a)***, each Lender, L/C Issuer or Secured Party, or any Person who has received funds on behalf of a Lender, L/C Issuer or Secured Party, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender, L/C Issuer or Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case.

(i) (A) in the case of immediately preceding ***clauses (x)*** or ***(y)***, an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of immediately preceding ***clause (z)***), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender, L/C Issuer or Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this ***Section 10.15(b)***.

(c) Each Lender, L/C Issuer or Secured Party hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender, L/C Issuer or Secured Party under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender, L/C Issuer or Secured Party from any source, against any amount due to the Administrative Agent under immediately preceding ***clause (a)*** or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding ***clause (a)***, from any Lender or L/C Issuer that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "***Erroneous Payment Return Deficiency***"), upon the Administrative Agent's notice to such Lender or L/C Issuer at any time, (i) such Lender or L/C Issuer shall be deemed to have assigned its Loans (but not its Commitments) of the relevant class with respect to which such Erroneous Payment was made (the "***Erroneous Payment Impacted Class***") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "***Erroneous Payment Deficiency Assignment***") at par plus any accrued and unpaid interest (with the

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assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption with respect to such Erroneous Payment Deficiency Assignment, and such Lender or L/C Issuer shall deliver any Notes evidencing such Loans to the Borrower or the Administrative Agent, (ii) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender or L/C Issuer, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or assigning L/C Issuer shall cease to be a Lender or L/C Issuer, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender or assigning L/C Issuer and (iv) the Administrative Agent may reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender or L/C Issuer shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender or L/C Issuer (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender or L/C Issuer and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender, L/C Issuer or Secured Party under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the "***Erroneous Payment Subrogation Rights***").

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Loan Party for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this ***Section 10.15*** shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender or L/C Issuer, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

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ARTICLE 11.

MISCELLANEOUS

Section 11.1 **Expenses**.

(a) Borrower and each of the other Loan Parties hereby, jointly and severally, agrees to pay on demand: (i) all reasonable and documented out-of-pocket costs and expenses of Administrative Agent, the Arranger, and the L/C Issuer in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents and any and all amendments, modifications, renewals, extensions, supplements, waivers, consents and ratifications thereof and thereto, including, without limitation, the reasonable fees and expenses of legal counsel, advisors, consultants, and auditors for Administrative Agent; (ii) all documented (in summary form) out-of-pocket costs and expenses of Administrative Agent, L/C Issuer, and each Lender in connection with any Event of Default and the enforcement of this Agreement or any other Loan Document, including, without limitation, court costs and the fees and expenses of legal counsel, advisors, consultants, experts and auditors for Administrative Agent, L/C Issuer, and each Lender; (iii) all costs and expenses incurred by L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder; (iv) all costs, expenses, assessments, and other charges incurred in connection with any filing, registration, recording, or perfection of any Lien contemplated by this Agreement or any other Loan Document; and (v) all other costs and expenses incurred by Administrative Agent, L/C Issuer, and any Lender in connection with the enforcement or protection of its rights under this Agreement or any other Loan Document, any workout or restructuring (including the negotiations thereof), any litigation, dispute, suit, proceeding or action, the enforcement of its rights and remedies, and the protection of its interests in bankruptcy, insolvency or other legal proceedings, including, without limitation, all costs, expenses, and other charges (including Administrative Agent's internal charges) incurred in connection with evaluating, observing, collecting, examining, auditing, appraising, selling, liquidating, or otherwise disposing of the Collateral or other assets of the Loan Parties. The Loan Parties shall be responsible for all expenses described in this ***clause (a)*** whether or not any Credit Extension is ever made. Any amount to be paid under this ***Section 11.1*** shall be a demand obligation owing by the Loan Parties and if not paid within ten (10) days of demand shall bear interest, to the extent not prohibited by and not in violation of applicable Law, from the date of expenditure until paid at a rate per annum equal to the Default Interest Rate. The obligations of the Loan Parties under this ***Section 11.1*** shall survive payment of the Notes and other obligations hereunder and the assignment of any right hereunder. The obligations of the Loan Parties under this ***Section 11.1*** with respect to legal fees shall be subject to the Legal Expenses Limitation.

(b) To the extent that Borrower for any reason fails to indefeasibly pay any amount required under ***Section 11.1(a)*** or ***Section 11.2*** to be paid by it to Administrative Agent, L/C Issuer (or any sub-agent thereof) or any Related Party of Administrative Agent or L/C Issuer (or any sub-agent thereof), each Lender severally agrees to pay to Administrative Agent or L/C Issuer (or any such sub-agent) or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's Applicable Percentage of the Revolving Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against Administrative Agent or L/C Issuer (or any such sub-agent) or against any Related Party

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of Administrative Agent or L/C Issuer (or any sub-agent thereof) acting for Administrative Agent or L/C Issuer (or any such sub-agent) in connection with such capacity. **EACH LENDER ACKNOWLEDGES THAT SUCH PAYMENTS MAY BE IN RESPECT OF LOSSES, CLAIMS, DAMAGES, LIABILITIES OR RELATED EXPENSES ARISING OUT OF OR RESULTING FROM THE SOLE, CONTRIBUTORY, COMPARATIVE, CONCURRENT OR ORDINARY NEGLIGENCE OF THE PERSON (OR THE REPRESENTATIVES OF THE PERSON) TO WHOM SUCH PAYMENTS ARE TO BE MADE.**

Section 11.2 **INDEMNIFICATION**. BORROWER AND THE OTHER LOAN PARTIES SHALL, JOINTLY AND SEVERALLY, INDEMNIFY ADMINISTRATIVE AGENT, L/C ISSUER, THE ARRANGER, EACH LENDER AND EACH RELATED PARTY OF EACH OF THE FOREGOING (EACH, AN "***INDEMNITEE***") AGAINST, AND HOLD EACH OF THEM HARMLESS FROM, ANY AND ALL LOSSES, LIABILITIES, CLAIMS, DAMAGES, PENALTIES, JUDGMENTS, DISBURSEMENTS, COSTS, AND EXPENSES (INCLUDING FEES AND EXPENSES OF ANY ACTION, CLAIM OR SUIT BROUGHT TO ENFORCE THE BORROWER'S INDEMNIFICATION OBLIGATIONS HEREUNDER AND COURT COSTS AND ATTORNEYS' FEES) TO WHICH ANY OF THEM MAY BECOME SUBJECT WHICH DIRECTLY OR INDIRECTLY ARISE FROM OR RELATE TO (A) THE NEGOTIATION, EXECUTION, DELIVERY, PERFORMANCE, ADMINISTRATION, OR ENFORCEMENT OF ANY OF THE LOAN DOCUMENTS, (B) ANY OF THE TRANSACTIONS CONTEMPLATED BY THE LOAN DOCUMENTS, (C) ANY BREACH BY ANY LOAN PARTY OF ANY REPRESENTATION, WARRANTY, COVENANT, OR OTHER AGREEMENT CONTAINED IN ANY OF THE LOAN DOCUMENTS, (D) THE PRESENCE, RELEASE, THREATENED RELEASE, DISPOSAL, REMOVAL, OR CLEANUP OF ANY HAZARDOUS MATERIAL LOCATED ON, ABOUT, WITHIN, OR AFFECTING ANY OF THE PROPERTIES OR ASSETS OF ANY LOAN PARTY OR ANY OF THEIR SUBSIDIARIES, (E) ANY LOAN OR LETTER OF CREDIT OR USE OR PROPOSED USE OF THE PROCEEDS THEREFROM (INCLUDING ANY REFUSAL BY L/C ISSUER TO HONOR A DEMAND FOR PAYMENT UNDER A LETTER OF CREDIT IF THE DOCUMENTS PRESENTED IN CONNECTION WITH SUCH DEMAND DO NOT STRICTLY COMPLY WITH THE TERMS OF SUCH LETTER OF CREDIT) OR (F) ANY INVESTIGATION, LITIGATION, OR OTHER PROCEEDING, INCLUDING, WITHOUT LIMITATION, ANY THREATENED OR PROSPECTIVE INVESTIGATION, LITIGATION, OR OTHER PROCEEDING, RELATING TO ANY OF THE FOREGOING, WHETHER BROUGHT BY A THIRD PARTY OR BY BORROWER OR ANY OTHER LOAN PARTY. WITHOUT LIMITING ANY PROVISION OF THIS AGREEMENT OR OF ANY OTHER LOAN DOCUMENT, **IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO THAT EACH INDEMNITEE SHALL BE INDEMNIFIED FROM AND HELD HARMLESS AGAINST ANY AND ALL LOSSES, LIABILITIES, CLAIMS, DAMAGES, PENALTIES, JUDGMENTS, DISBURSEMENTS, COSTS, AND EXPENSES (INCLUDING ATTORNEYS' FEES) ARISING OUT OF OR RESULTING FROM THE SOLE, CONTRIBUTORY, COMPARATIVE, CONCURRENT OR ORDINARY NEGLIGENCE OF SUCH INDEMNITEE (OR THE REPRESENTATIVES OF SUCH PERSON)**; *provided* that such indemnity shall not, as to any Indemnitee, be available (i) to the extent such losses, liabilities, claims, damages, penalties, judgments, disbursements, costs and expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (ii) arising out of any claim, litigation, investigation or proceeding that does not involve an act or omission of any Loan Party and that is brought by such Indemnitee against another Indemnitee (other than the Administrative Agent acting in its capacity as such). Any amount to be paid under this ***Section 11.2*** shall be a demand obligation owing by Borrower and the other Loan Parties and if not paid within ten (10) days of demand shall bear interest, to the extent not prohibited by and not in violation of applicable Law, from the date of expenditure until paid at a rate per annum

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equal to the Default Interest Rate. The obligations of Borrower and the other Loan Parties under this ***Section 11.2*** shall survive payment of the Notes and other obligations hereunder and the assignment of any right hereunder. This ***Section 11.2*** shall not apply with respect to Taxes other than any Taxes that represent losses, claims, or damages arising from any non-Tax claim. The obligations of the Loan Parties under this ***Section 11.2*** with respect to legal fees shall be subject to the Legal Expenses Limitation.

Section 11.3 **Limitation of Liability**. None of any Loan Party, Administrative Agent, the Arranger, L/C Issuer, or any Lender, or any of their Related Parties, shall have any liability with respect to, and each party hereto hereby waives, releases, and agrees not to sue any of them upon, any claim for any special, indirect, incidental, or consequential damages (whether in contract, tort or otherwise) suffered or incurred by any other party hereto or any of their Related Parties in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or any of the other Loan Documents; *provided* that, for the avoidance of doubt, the foregoing shall not limit any Loan Party's indemnification or reimbursement obligations under ***Section 11.2*** to the extent such consequential, punitive, special or indirect damages are included in any third party claim in which an Indemnitee is otherwise entitled to indemnification or reimbursement hereunder. Each Loan Party hereby waives, releases, and agrees not to sue Administrative Agent, the Arranger, L/C Issuer, or any Lender, or any of their Related Parties, for punitive damages in respect of any claim in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or any of the other Loan Documents.

Section 11.4 **No Duty**. All attorneys, accountants, appraisers, and other professional Persons and consultants retained by the Arranger, Administrative Agent, any Lender, or L/C Issuer shall have the right to act exclusively in the interest of the Arranger, Administrative Agent, such Lender, or L/C Issuer and shall have no duty of disclosure, duty of loyalty, duty of care, or other duty or obligation of any type or nature whatsoever to any Loan Party or any Loan Party's equity holders, Affiliates, officers, employees, attorneys, agents, or any other Person.

Section 11.5 **Lenders Not Fiduciary**. The relationship between Borrower and each other Loan Party on the one hand, and Administrative Agent, Arranger, each Lender, and L/C Issuer, on the other hand, is solely that of debtor and creditor, and none of Administrative Agent, Arranger, any Lender, or L/C Issuer has any fiduciary or other special relationship with Borrower or any other Loan Party, and no term or condition of any of the Loan Documents shall be construed so as to deem the relationship between Borrower and each other Loan Party on the one hand, and Administrative Agent, Arranger, each Lender, and L/C Issuer, on the other hand, to be other than that of debtor and creditor. The Borrower and each other Loan Party acknowledges and agrees that (a) (i) no fiduciary, advisory or agency relationship between the Loan Parties and their Subsidiaries and any Arranger, the Administrative Agent, the L/C Issuer or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether the Arranger, the Administrative Agent, the L/C Issuer or any Lender has advised or is advising any Loan Party or any Subsidiary on other matters, (ii) the arranging and other services regarding this Agreement provided by the Arranger, the Administrative Agent, the L/C Issuer and the Lenders are arm's-length commercial transactions between the Loan Parties and their Affiliates, on the one hand, and the Arranger, the Administrative Agent, the L/C Issuer and the Lenders, on the other hand, (iii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate and (iv) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and (b) (i) the Arranger, the Administrative Agent, the L/C Issuer and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for

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the Borrower or any of its Affiliates, or any other Person; (ii) none of the Arranger, the Administrative Agent, the L/C Issuer or the Lenders has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Arranger, the Administrative Agent, the L/C Issuer and the Lenders and their respective branches and Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Arranger, the Administrative Agent, the L/C Issuer or the Lenders has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by Law, the Borrower and each other Loan Party hereby waives and releases any claims that it may have against any of the Arranger, Administrative Agent, the L/C Issuer, and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 11.6 **Equitable Relief**. Each Loan Party recognizes that in the event Borrower or any other Loan Party fails to pay, perform, observe, or discharge any or all of the Obligations, any remedy at law may prove to be inadequate relief to Administrative Agent, Lenders, or L/C Issuer. Each Loan Party therefore agrees that Administrative Agent, any Lender, or L/C Issuer, if Administrative Agent, such Lender, or L/C Issuer so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

Section 11.7 **No Waiver; Cumulative Remedies**. No failure on the part of Administrative Agent, any Lender, or L/C Issuer to exercise and no delay in exercising, and no course of dealing with respect to, any right, remedy, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. The rights and remedies provided for in this Agreement and the other Loan Documents are cumulative and not exclusive of any rights and remedies provided by Law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, Administrative Agent in accordance with ***Section 9.2*** for the benefit of all the Secured Parties and each Lender hereby agrees, on behalf of itself and each of its Affiliates that is a Secured Party, that, except with the written consent of Administrative Agent, it will not take any enforcement action or exercise any right that it might otherwise have under applicable Law to credit bid at foreclosure sales, UCC sales or other similar dispositions of Collateral; *provided, however,* that the foregoing shall not prohibit (a) Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any Lender from exercising setoff rights in accordance with ***Section 11.25*** (subject to the terms of ***Section 11.23***), or (c) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and *provided, further*, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to Administrative Agent pursuant to ***Section 9.2*** and (ii) in addition to the matters set forth in ***clauses (b)*** and ***(c)*** of the preceding proviso and subject to ***Section 11.23***,

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any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

Section 11.8 **Successors and Assigns**.

(a) **Successors and Assigns Generally**. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither Borrower nor, except as expressly permitted under the Loan Documents, any other Loan Party may assign or otherwise transfer any of its rights, duties, or obligations under this Agreement or the other Loan Documents without the prior written consent of Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of ***Section 11.8(b)***, (ii) by way of participation in accordance with the provisions of ***Section 11.8(d)***, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of ***Section 11.8(e)*** (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in ***Section 11.8(d)*** and, to the extent expressly contemplated hereby, the Related Parties of each of Administrative Agent and Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders**. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment(s) and the Loans at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i) **Minimum Amounts**. (A) In the case of an assignment of the entire remaining amount of the assigning Lender's Commitment(s) and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in ***Section 11.8(b)(i)(B)*** in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and (B) in any case not described in ***Section 11.8(b)(i)(A)***, the aggregate amount of the Commitment(s) (which for this purpose includes Loans outstanding hereunder) or, if the applicable Commitment is not then in effect, the Outstanding Amount of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $[***] unless each of Administrative Agent and, so long as no Event of Default has occurred and is continuing, Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) **Proportionate Amounts**. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment(s) assigned.

(iii) **Required Consents**. No consent shall be required for any assignment except to the extent required by ***Section 11.8(b)(i)(B)*** and, in addition:

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(A) the consent of Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to Administrative Agent within five (5) Business Days after having received notice thereof; (B) the consent of Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Commitment or Revolving Credit Loans if such assignment is to a Person that is not a Lender with a Commitment, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and (C) the consent of L/C Issuer shall be required for any assignment in respect of the Revolving Credit Facility.

(iv) **Assignment and Assumption**. The parties to each assignment shall execute and deliver to Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $[***]; *provided* that Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment; and *provided further* that Borrower shall not be obligated to pay for such processing and recording fee except in the case of any assignment made pursuant to ***Section 3.6(b)***. The assignee, if it is not a Lender, shall deliver to Administrative Agent an Administrative Questionnaire.

(v) **No Assignment to Certain Persons**. No such assignment shall be made to (A) any Loan Party or any of their Affiliates or Subsidiaries or (B) any Defaulting Lender or any of its Affiliates, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this ***clause (B)***.

(vi) **No Assignment to Natural Persons**. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) **Certain Additional Payments**. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to such assignment shall make such additional payments to Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of Borrower and Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by such Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to: (A) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to Administrative Agent or any Lender hereunder (and interest accrued thereon) and (B) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

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Subject to acceptance and recording thereof by Administrative Agent pursuant to ***Section 11.8(c)***, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of ***Section 3.1***, ***Section 3.2***, ***Section 11.1*** and ***Section 11.2*** with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided* that, except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with ***Section 11.8(d)***. Upon the consummation of any assignment pursuant to this ***Section 11.8(b)***, if requested by the transferor or transferee Lender, the transferor Lender, Administrative Agent and Borrower shall make appropriate arrangements so that replacement Notes are issued to such transferor Lender (if applicable) and new Notes or, as appropriate, replacement Notes, are issued to the assignee.

(c) **Register**. Administrative Agent, acting solely for this purpose as a non-fiduciary agent of Borrower, shall maintain at one of its offices in Dallas, Texas a copy of each Assignment and Assumption delivered to it and a Register. The entries in the Register shall be conclusive absent manifest error, and Borrower, Administrative Agent and Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations**. Any Lender may at any time, without the consent of, or notice to, Borrower or any other Loan Party, sell participations to a Participant in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment(s) and/or the Loans owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) no such participation shall be to a Disqualified Lender and (iv) Borrower, each other Loan Party, Administrative Agent, and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under ***Section 11.1(b)*** without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such

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Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in ***Section 11.10*** which requires the consent of all Lenders and affects such Participant. Borrower agrees that each Participant shall be entitled to the benefits of ***Sections 3.1, 3.4*** and ***3.5*** (subject to the requirements and limitations therein, including the requirements under ***Section 3.4(g)*** (it being understood that the documentation required under ***Section 3.4(g)*** shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; *provided* that such Participant (A) agrees to be subject to the provisions of ***Section 3.6*** as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under ***Sections 3.1*** or ***3.4***, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at Borrower's request and expense, to use reasonable efforts to cooperate with Borrower to effectuate the provisions of ***Section 3.6*** with respect to any Participant. To the extent permitted by Law, each Participant also shall be entitled to the benefits of ***Section 11.25*** as though it were a Lender; *provided* that such Participant agrees to pay to Administrative Agent any amount set-off for application to the Obligations under the Loan Documents as required pursuant to ***Section 11.25***; *provided further* that such Participant agrees to be subject to ***Section 11.23*** as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain a Participant Register; *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under *Section 5f.103-1(c)* of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) **Certain Pledges**. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) **Dissemination of Information**. Borrower and each other Loan Party authorizes Administrative Agent and each Lender to disclose to any actual or prospective purchaser, assignee or other recipient of a Lender's Commitment that is not a Disqualified Lender at the time of such disclosure, any and all information in Administrative Agent's or such Lender's possession concerning Borrower, the other Loan

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Parties and their respective Affiliates to the extent such disclosure is not otherwise prohibited under ***Section 11.26***.

(g) **Disqualified Lenders**. (i) No assignment or participation shall be made to, and no increase in the Commitments shall be provided by, any Person that was a Disqualified Lender as of the date (the "***Trade Date***") on which the assigning Lender entered into a binding agreement to sell and assign all or a portion of its rights and obligations under this Agreement to such Person or the applicable Increase Effective Date, as the case may be (unless Borrower has consented to such assignment or increase in the Commitments in writing in its sole and absolute discretion, in which case such Person will not be considered a Disqualified Lender for the purpose of such assignment, participation or increase in the Commitments). For the avoidance of doubt, with respect to any assignee or Lender that becomes a Disqualified Lender after the applicable Trade Date (including as a result of the delivery of a notice pursuant to, and/or the expiration of the notice period referred to in, the definition of "Disqualified Lender"), (x) such assignee or Lender shall not retroactively be disqualified from becoming a Lender and (y) the execution by Borrower of an Assignment and Assumption or a joinder agreement in form and substance satisfactory to Administrative Agent with respect to such assignee will not by itself result in such assignee no longer being considered a Disqualified Lender. Any assignment or increase in the Revolving Credit Commitment in violation of this ***clause (g)(i)*** shall not be void, but the other provisions of this ***clause (g)*** shall apply.

(ii) If any assignment or participation is made to, or any increase in the Commitments is provided by, any Disqualified Lender without Borrower's prior written consent in violation of ***clause (g)(i)*** above, Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Lender and Administrative Agent, (A) terminate the Commitment of such Disqualified Lender and repay all obligations of Borrower owing to such Disqualified Lender in connection with such Commitment and/or (B) require such Disqualified Lender to assign, without recourse (in accordance with and subject to the restrictions contained in this Section), all of its interest, rights and obligations under this Agreement to one or more Eligible Assignees at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder.

(iii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Lenders (A) will not (x) have the right to receive information, reports or other materials provided to Lenders by Borrower, Administrative Agent or any other Lender, (y) attend or participate in meetings attended by Lenders and Administrative Agent, or (z) access any electronic site established for Lenders or confidential communications from counsel to or financial advisors of Administrative Agent or Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Lender will be deemed to have consented in the same proportion as Lenders that are not Disqualified Lenders consented to such matter, and (y) for purposes of voting on any Debtor Relief Plan, each Disqualified Lender party hereto hereby agrees (1) not to vote on such Debtor Relief Plan, (2) if such Disqualified Lender does vote on such Debtor Relief Plan notwithstanding the restriction in the foregoing ***clause (1)***, such vote will be deemed not to be in good faith and shall be "designated" pursuant to *Section 1126(e)* of the Bankruptcy Code (or any similar provision in any other

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Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such Debtor Relief Plan in accordance with *Section 1126(c)* of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws) and (3) not to contest any request by any party for a determination by the Bankruptcy Court (or other applicable court of competent jurisdiction) effectuating the foregoing ***clause (2)***. Administrative Agent shall have the right, and Borrower hereby expressly authorizes Administrative Agent, to (A) post the list of Disqualified Lenders provided by Borrower and any updates thereto from time to time (collectively, the "***DQ List***") on the Platform, including that portion of the Platform that is designated for "public side" Lenders and/or (B) provide the DQ List to each Lender requesting the same.

Section 11.9 **Survival**. All representations and warranties made in this Agreement, any other Loan Document or in any document, statement, or certificate furnished in connection with this Agreement shall survive the execution and delivery of this Agreement and the other Loan Documents until such time as Payment in Full shall have occurred, and no investigation by Administrative Agent or any Lender or any closing shall affect the representations and warranties or the right of Administrative Agent or any Lender to rely upon them. Without prejudice to the survival of any other obligation of any Loan Party hereunder, the obligations of the Loan Parties under ***Sections 11.1*** and ***11.2*** shall survive repayment of the Obligations and termination of the Commitments.

Section 11.10 **Amendment**. Subject to ***Section 2.7(g)***, ***Section 2.12*** and ***Section 3.3(b)***, the provisions of this Agreement and the other Loan Documents to which Borrower or any other Loan Party is a party (other than the Issuer Documents) may be amended or waived only by an instrument in writing signed by the Required Lenders (or by Administrative Agent with the consent of the Required Lenders) and each Loan Party party thereto and acknowledged by Administrative Agent; *provided*, *however*, that no such amendment or waiver shall:

(a) waive any condition set forth in ***Section 4.1***, without the written consent of each Lender;

(b) extend or increase any Commitment of any Lender (or reinstate any Commitment terminated pursuant to ***Section 9.2***) without the written consent of such Lender;

(c) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayment) of principal, interest, fees or other amounts due to Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; *provided, however*, that only the consent of the Required Lenders shall be necessary to adjust the Default Interest Rate or to waive any obligation of Borrower to pay interest at such rate;

(e) change any provision of this ***Section 11.10*** or the definition of "*Required Lenders*" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

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(f) change ***Section 9.3*** or ***Section 11.23*** in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(g) release all or substantially all of the aggregate value of the Guarantees provided by the Guarantors or release all or substantially all of the Collateral (in each case, except as provided herein) without the written consent of each Lender;

(h) (i) subordinate any of the Obligations to any other Debt or (ii) subordinate the Lien securing any of the Obligations on all or substantially all of the Collateral to any other Lien securing any other Debt (except as provided in ***Section 10.9***), in each case, without the consent of each Lender affected thereby; or

(i) increase the advance rates set forth in the definition of Borrowing Base or add new categories of eligible assets (other than any type of Inventory that constitutes Eligible Inventory at such time), without the written consent of each Lender (other than any Defaulting Lender);

and, *provided further*, that (i) no amendment, waiver or consent shall, unless in writing and signed by L/C Issuer in addition to the Lenders required above, affect the rights or duties of L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by Administrative Agent in addition to Lenders required above, affect the rights or duties of Administrative Agent under this Agreement or any other Loan Document; (iii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto; (iv) Borrower and Administrative Agent may amend this Agreement or any other Loan Document without the consent of Lenders (unless the Required Lenders object in writing within five (5) Business Days of notice by Administrative Agent of such amendment) in order to (A) correct, amend or cure any ambiguity, inconsistency or defect or correct any typographical error or other manifest error in any Loan Document or (B) comply with local Law or advice of local counsel in any jurisdiction the Laws of which govern any Security Document or that are relevant to the creation, perfection, protection and/or priority of any Lien in favor of Administrative Agent, (C) effect the granting, perfection, protection, expansion or enhancement of any security interest or Lien in any Collateral or additional Property to become Collateral for the benefit of the Secured Parties, (D) make administrative or operational changes not adverse to any Lender or (E) add a Guarantor or Collateral or otherwise enhance the rights and benefits of the Lenders; and (v) Borrower and Administrative Agent may, without the input or consent of the Lenders, effect amendments to this Agreement and the other Loan Documents as may be necessary in the opinion of Administrative Agent to effect the provisions of ***Section 2.12***.

Notwithstanding anything to the contrary herein, no Defaulting Lender or Disqualified Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders or Disqualified Lenders), except that (x) the Commitment(s) of any Defaulting Lender or any Disqualified Lender may not be increased or extended without the consent of such Lender; and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender or any

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Disqualified Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender or Disqualified Lender.

Section 11.11 **Notices**.

(a) **Notices Generally**. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in ***Section 11.11(b)***), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail as set forth on ***Schedule 11.11***. Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices delivered through electronic communications, to the extent provided in ***Section 11.11(b)*** shall be effective as provided in ***Section 11.11(b)***.

(b) **Electronic Communications**. Notices and other communications to Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by Administrative Agent, *provided* that the foregoing shall not apply to notices to any Lender pursuant to ***Article 2*** if such Lender has notified Administrative Agent that it is incapable of receiving notices under ***Article 2*** by electronic communication. Administrative Agent or any Loan Party may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

Unless Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing ***clause (i)***, of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both ***clauses (i)*** and ***(ii)*** above, if such facsimile, email or other electronic communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) **Change of Address, etc**. Any party hereto may change its address or e-mail address for notices and other communications hereunder by notice to the other parties hereto, ***Schedule 11.11*** shall be deemed to be amended by each such change, and Administrative Agent is authorized, in its discretion, from time to time to reflect each such change in an amended ***Schedule 11.11*** provided by Administrative Agent to each party hereto.

(d) **Platform**.

(i) Borrower, each other Loan Party, each Lender, and L/C Issuer agrees that Administrative Agent may, but shall not be obligated to, make the Communications available to the Lenders or L/C Issuer by posting the Communications on the Platform.

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(ii) The Platform is provided "as is" and "as available." The Agent Parties do not warrant the accuracy or completeness of the Communications or the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. Although the Platform is secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time, each of the Lenders, L/C Issuer, and the Borrower acknowledges and agrees that (x) the distribution of material through an electronic medium is not necessarily secure and (y) the Agent Parties not responsible for approving or vetting the representatives, designees or contacts of any Lender or L/C Issuer that are provided access to the Platform and that there may be confidentiality and other risks associated with such form of distribution, and each Lender, L/C Issuer, and Borrower understands and accepts such risks. In no event shall the Agent Parties have any liability to any Loan Party, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party's or Administrative Agent's transmission of Communications through the Platform.

(iii) Each Loan Party (by its, his or her execution of a Loan Document) hereby authorizes Administrative Agent, each Lender, and their respective counsel and agents and Related Parties (each, an "***Authorized Party***") to communicate and transfer documents and other information (including confidential information) concerning this transaction or Borrower or any other Loan Party and the business affairs of Borrower and such other Loan Parties via the internet or other electronic communication method. IN NO EVENT SHALL ANY AUTHORIZED PARTY HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY SUCH COMMUNICATIONS OR TRANSMISSIONS, EXCEPT TO THE EXTENT THAT SUCH DAMAGES ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION IN A FINAL AND NONAPPEALABLE JUDGMENT TO HAVE DIRECTLY RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH AUTHORIZED PARTY; *PROVIDED, HOWEVER*, THAT IN NO EVENT SHALL ANY AUTHORIZED PARTY HAVE ANY LIABILITY FOR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES).

(e) **Public Information**. Each Loan Party hereby acknowledges that certain of the Lenders (each, a "***Public Lender***") may have personnel who do not wish to receive material non-public information with respect to any Loan Party or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such securities. Each Loan Party hereby agrees that it will use commercially reasonable efforts to identify that portion of the materials and information provided by or on behalf of any Loan Party hereunder and under the other Loan Documents (collectively, "***Borrower Materials***") that may be distributed to the Public Lenders and that (i) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC," which, at a minimum, shall mean that the word

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"PUBLIC" shall appear prominently on the first page thereof; (ii) by marking Borrower Materials "PUBLIC," each Loan Party shall be deemed to have authorized Administrative Agent and the other Lenders to treat such Borrower Materials as not containing any material non-public information with respect to any Loan Party or its securities for purposes of U.S. federal and state securities Laws (*provided, however*, that to the extent that such Borrower Materials constitute Information, they shall be subject to ***Section 11.26***); (iii) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (iv) Administrative Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information". Each Public Lender will designate one or more representatives that shall be permitted to receive information that is not designated as being available for Public Lenders, in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and under applicable Law, including United States federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to any Loan Party or its Subsidiaries and its securities for the purposes of United States federal or state securities Laws.

Section 11.12 **Governing Law; Venue; Service of Process**.

(a) **Governing Law**. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the Laws of the State of New York (without reference to applicable rules of conflicts of Laws), except to the extent the Laws of any jurisdiction where Collateral is located require application of such Laws with respect to such Collateral.

(b) **Jurisdiction**. Each Loan Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against Administrative Agent, any Lender, L/C Issuer, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Nothing in this Agreement or in any other Loan Document shall affect any right that Administrative Agent, any Lender, or L/C Issuer may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Borrower or any of the other Loan Parties or their Properties in the courts of any jurisdiction.

(c) **Waiver of Venue**. Each Loan Party irrevocably and unconditionally waives, to the fullest extent permitted by applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or

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relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) **Service of Process**. Each party hereto irrevocably consents to service of process by the mailing thereof in the manner provided for the mailing of notices in ***Section 11.11***. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable Law.

Section 11.13 **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Except as provided in ***Section 4.1***, this Agreement shall become effective when it shall have been executed by Administrative Agent and when Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 11.14 **Severability**. Any provision of this Agreement or any other Loan Document held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision held to be invalid or illegal. Furthermore, in lieu of such invalid or unenforceable provision there shall be added as a part of this Agreement or the other Loan Documents a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

Section 11.15 **Headings**. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

Section 11.16 **Construction**. Each Loan Party, Administrative Agent and each Lender acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement and the other Loan Documents with its legal counsel and that this Agreement and the other Loan Documents shall be construed as if jointly drafted by Borrower, Administrative Agent, each Lender and each other Person party thereto.

Section 11.17 **Independence of Covenants**. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default if such action is taken or such condition exists.

Section 11.18 **WAIVER OF JURY TRIAL**. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE

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BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS ***SECTION 11.18***.

Section 11.19 **Additional Interest Provision**. It is expressly stipulated and agreed to be the intent of Borrower, Administrative Agent and each Lender at all times to comply strictly with the applicable Law governing the maximum rate or amount of interest payable on the indebtedness evidenced by any Note, any other Loan Document, and the Related Indebtedness (or applicable United States federal Law to the extent that it permits any Lender to contract for, charge, take, reserve or receive a greater amount of interest than under applicable Law). If the applicable Law is ever judicially interpreted so as to render usurious any amount (a) contracted for, charged, taken, reserved or received pursuant to any Note, any of the other Loan Documents or any other communication or writing by or between Borrower or any other Loan Party and any Lender related to the transaction or transactions that are the subject matter of the Loan Documents, (b) contracted for, charged, taken, reserved or received by reason of Administrative Agent's or any Lender's exercise of the option to accelerate the maturity of any Note and/or the Related Indebtedness, or (c) Borrower or any other Loan Party will have paid or Administrative Agent or any Lender will have received by reason of any voluntary prepayment by Borrower or any other Loan Party of any Note and/or the Related Indebtedness, then it is Borrower's, each other Loan Party's, Administrative Agent's and Lenders' express intent that all amounts charged in excess of the Maximum Rate shall be automatically canceled, ab initio, and all amounts in excess of the Maximum Rate theretofore collected by Administrative Agent or any Lender shall be credited on the principal balance of any Note and/or the Related Indebtedness (or, if any Note and all Related Indebtedness have been or would thereby be paid in full, refunded to Borrower or such other Loan Party, as applicable), and the provisions of any Note and the other Loan Documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable Law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder; *provided*, *however*, if any Note or Related Indebtedness has been paid in full before the end of the stated term thereof, then Borrower, each other Loan Party, Administrative Agent and each Lender agree that Administrative Agent or any Lender, as applicable, shall, with reasonable promptness after Administrative Agent or such Lender discovers or is advised by Borrower or any other Loan Party that interest was received in an amount in excess of the Maximum Rate, either refund such excess interest to Borrower or such other Loan Party, as applicable, and/or credit such excess interest against such Note and/or any Related Indebtedness then owing by Borrower and the other Loan Parties to Administrative Agent or such Lender. Borrower and each other Loan Party hereby agrees that as a condition precedent to any claim seeking usury penalties against Administrative Agent or such Lender, Borrower will provide written notice to Administrative Agent or any Lender, advising Administrative Agent or such Lender in reasonable detail of the nature and amount of the violation, and Administrative Agent or such Lender shall have sixty (60) days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to Borrower or such other Loan Parties, as applicable, or crediting such excess interest against the Note to which the alleged violation relates and/or the Related Indebtedness then owing by Borrower and the other Loan Parties to Administrative Agent or such Lender. All sums contracted for, charged, taken, reserved or received by Administrative Agent or any Lender for the use, forbearance or detention of any debt evidenced by any Note and/or the Related Indebtedness shall, to the extent permitted by applicable Law, be amortized or spread, using the actuarial method, throughout the stated term of such Note and/or the Related Indebtedness (including any and all renewal and extension periods) until payment in full so that the rate or amount of interest on account of any Note and/or the Related Indebtedness does not exceed the Maximum Rate from time to time in effect and applicable to such Note and/or the Related Indebtedness for so long as debt is outstanding. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, it is not the intention of Administrative

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Agent or any Lender to accelerate the maturity of any interest that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration.

Section 11.20 **[Reserved]**.

Section 11.21 **USA PATRIOT Act Notice**. Administrative Agent and each Lender hereby notifies Borrower and each other Loan Party that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies Borrower and each other Loan Party, which information includes the name and address of Borrower and each other Loan Party and other information that will allow Administrative Agent and such Lender to identify Borrower and each other Loan Party in accordance with the PATRIOT Act. In addition, Borrower and each other Loan Party agrees to (a) ensure that no Person who owns a controlling interest in or otherwise controls Borrower or any other Loan Party or any Subsidiary of Borrower or any other Loan Party is or shall be a Sanctioned Person, (b) not to use or permit the use of proceeds of the Obligations to violate any Anti-Corruption Laws, Anti-Terrorism Laws or any applicable Sanctions, and (c) comply, or cause its Subsidiaries to comply, with the applicable Anti-Corruption Laws, Anti-Terrorism Laws and Sanctions.

Section 11.22 **Defaulting Lenders**.

(a) **Adjustments**. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) **Waivers and Amendments**. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definitions of "*Required Lenders*" and in ***Section 11.10***.

(ii) **Defaulting Lender Waterfall**. Any payment of principal, interest, fees or other amounts received by Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to ***Article 9*** or otherwise) or received by Administrative Agent from a Defaulting Lender shall be applied at such time or times as may be determined by Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to Administrative Agent hereunder; *second*, with respect to a Defaulting Lender that is a Lender, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to L/C Issuer hereunder; *third*, with respect to a Defaulting Lender that is a Lender, to Cash Collateralize L/C Issuer's Fronting Exposure, if any, with respect to such Defaulting Lender in accordance with ***Section 2.6***; *fourth*, with respect to a Defaulting Lender that is a Lender, as Borrower may request (so long as no Default or Event of Default exists), to the funding of any Revolving Credit Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by Administrative Agent; *fifth*, with respect to a Defaulting Lender that is a Lender, if so determined by Administrative Agent and Borrower, to be held in a Deposit Account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Revolving Credit Loans under this Agreement and (y) with respect to a Defaulting Lender that is a Lender, Cash Collateralize L/C Issuer's future Fronting Exposure, if any, with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with ***Section 2.6***; *sixth*, to the payment of any amounts owing to Lenders or L/C Issuer as a result of any judgment of a court of competent jurisdiction obtained by any Lender or L/C Issuer against such

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Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to Borrower as a result of any judgment of a court of competent jurisdiction obtained by Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that, if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in ***Section 4.2*** were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations are held by Lenders pro rata in accordance with the Commitments without giving effect to ***Section 11.22(a)(iv)***. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this ***Section 11.22(a)(ii)*** shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) **Certain Fees**.

(A) No Defaulting Lender shall be entitled to receive any fee payable under ***Section 2.3(c)*** for any period during which that Lender is a Defaulting Lender (and Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to ***Section 2.6***.

(C) With respect to any fee payable under ***Section 2.3(c)*** or to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to ***clause (A)*** or ***(B)*** above, Borrower shall (x) pay to each Lender that is a Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to ***clause (iv)*** below, (y) pay to L/C Issuer the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to L/C Issuer's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) **Reallocation of Applicable Percentages to Reduce Fronting Exposure**. All or any part of such Defaulting Lender's participation in L/C Obligations shall be reallocated among the Lenders that are Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of

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any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. Subject to ***Section 11.28***, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) **Cash Collateral**. If the reallocation described in ***clause (a)(iv)*** above cannot, or can only partially, be effected, Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, Cash Collateralize L/C Issuer's Fronting Exposure in accordance with the procedures set forth in ***Section 2.6***.

(b) **Defaulting Lender Cure**. If Borrower, Administrative Agent, and L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit to be held on a pro rata basis by Lenders in accordance with their Applicable Percentages (without giving effect to ***Section 11.22(a)(iv)***), whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of Borrower while that Lender was a Defaulting Lender; and *provided*, *further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

Section 11.23 **Sharing of Payments by Lenders**. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it or other obligations hereunder, resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall:

(a) notify Administrative Agent of such fact; and

(b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, *provided* that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this ***Section 11.23*** shall not be construed to apply to: (A) any payment made by or on behalf of Borrower pursuant to and in accordance with the express terms of this Agreement (including (x) the application of funds arising from the existence of a Defaulting Lender and (y)

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payments made in accordance with ***Sections 3.1***, ***3.4*** and ***3.5***); (B) the application of Cash Collateral provided for in ***Section 2.6***; or (C) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations to any assignee or participant, other than an assignment to Borrower or any Affiliate thereof (as to which the provisions of this ***Section 11.23*** shall apply).

Borrower and each other Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against Borrower or such other Loan Party, as applicable, rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of Borrower or such other Loan Party in the amount of such participation.

Section 11.24 **Payments Set Aside**. To the extent that any payment by or on behalf of Borrower or any other Loan Party is made to Administrative Agent, L/C Issuer or any Lender, or Administrative Agent, L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Administrative Agent, L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and L/C Issuer severally agrees to pay to Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the greater of the Federal Funds Rate from time to time in effect and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. The obligations of Lenders and L/C Issuer under ***clause (b)*** of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

Section 11.25 **Setoff**. If an Event of Default has occurred and is continuing, Administrative Agent and each Lender shall have the right to set off against the Obligations under the Loan Documents, at any time and without notice to any Loan Party, any and all deposits (general or special, time or demand, provisional or final) or other sums at any time credited by or owing from Administrative Agent or such Lender to such Loan Party whether or not the Obligations under the Loan Documents are then due; *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff: (a) all amounts so set off shall be paid over immediately to Administrative Agent for further application in accordance with the provisions of ***Section 11.22*** and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of Administrative Agent and Lenders; and (b) such Defaulting Lender shall provide promptly to Administrative Agent a statement describing in reasonable detail the Obligations under the Loan Documents owing to such Defaulting Lender as to which it exercised such right of setoff. Each amount set off shall be paid to Administrative Agent for application to the Obligations under the Loan Documents in the order set forth in ***Section 9.3***. As further security for the Obligations, each Loan Party hereby grants to Administrative Agent and each Lender a security interest in all money, instruments, and other Property of such Loan Party, as applicable, now or hereafter held by Administrative Agent or such Lender, including, without limitation, Property held in safekeeping. In addition to Administrative Agent's and each Lender's right of setoff and as further security for the Obligations, each Loan Party hereby grants to Administrative Agent and each Lender a security interest in all deposits (general or special, time or demand, provisional or final) and other accounts of such Loan Party now or hereafter on deposit with or held by Administrative Agent or

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such Lender and all other sums at any time credited by or owing from Administrative Agent or such Lender to such Loan Party. The rights and remedies of Administrative Agent and each Lender hereunder are in addition to other rights and remedies (including, without limitation, other rights of setoff) which Administrative Agent or such Lender may have.

Section 11.26 **Confidentiality**. Each of Administrative Agent, L/C Issuer, and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential or shall otherwise be subject to confidentiality provisions generally), (b) to any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners) or any Governmental Authority, quasi-Governmental Authority or legislative committee or in accordance with the Administrative Agent's, such L/C Issuer's or any Lender's regulatory compliance policy if the Administrative Agent, such L/C Issuer or such Lender, as applicable, deems such disclosure to be necessary for the mitigation of claims by those authorities against the Administrative Agent, L/C Issuer or such Lender, as applicable, or any of its Related Parties (in which case, the Administrative Agent, L/C Issuer or such Lender, as applicable, shall, except with respect to any normal or routine audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority, promptly notify the Borrower, in advance, to the extent practicable and otherwise not prohibited by applicable Law), (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement or any other Loan Document, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to its being under a duty of confidentiality no less restrictive than this ***Section 11.26***, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement so long as such Person is not a Disqualified Lender, (ii) any actual or prospective counterparty (or its Related Parties) to any Hedging Agreement relating to Borrower or any other Loan Party and its obligations, or (iii) any actual or prospective purchaser of a Lender that is not a Disqualified Lender or its holding company, (g) on a confidential basis to (i) any rating agency or any similar organization in connection with the rating of Borrower or any other Loan Party or the Revolving Credit Facility or (ii) the CUSIP Service Bureau or any similar organization in connection with the issuance and monitoring of CUSIP numbers with respect to the Revolving Credit Facility, (h) with the consent of Borrower or such other applicable Loan Parties, (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this ***Section 11.26***, (ii) becomes available to Administrative Agent, L/C Issuer, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than Borrower that is not known to be subject to a confidentiality obligation to the Borrower or (iii) is independently discovered or developed by a party hereto without utilizing any Information received from the Borrower or violating the terms of this ***Section 11.26***; or (j) on a confidential basis to the extent required by a potential or actual insurer or reinsurer in connection with providing insurance, reinsurance or credit risk mitigation coverage under which payments are to be made or may be made by reference to this Agreement. In addition, Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to Administrative Agent and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments. For purposes of this ***Section 11.26***, "***Information***" means all non-public information received from Borrower or any other Loan Party or any Subsidiary thereof relating to Borrower or any other Loan Party or any Subsidiary thereof or any of their respective businesses, other than any such information that is available to Administrative Agent, L/C Issuer, or any Lender on a nonconfidential basis prior to disclosure by Borrower or any other Loan Party or any Subsidiary

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or Affiliate thereof. Any Person required to maintain the confidentiality of Information as provided in this ***Section 11.26*** shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. Each Loan Party party hereto agrees and confirms that, as between such Loan Party and Texas Capital Bank, the obligations of Texas Capital Bank under this ***Section 11.26*** supersede and replace in their respective entireties all confidentiality, non-disclosure and similar obligations of Texas Capital Bank, if any, set forth in any previous agreement between such Loan Party and Texas Capital Bank notwithstanding anything to the contrary contained therein.

Each Loan Party hereby authorizes Administrative Agent, at its sole expense, but without any prior approval by any Loan Party, to include any Loan Party's name, logo and the aggregate amount of the Revolving Credit Facility in tombstones and client marketing materials, and to give such other publicity to the Revolving Credit Facility as it may from time to time determine in its sole discretion. The foregoing authorization shall remain in effect unless the Borrower notifies Texas Capital Bank in writing that such authorization is revoked. Each Loan Party understands and acknowledges that Texas Capital Bank may provide to market data collectors, such as league table, or other service providers to the lending industry, information regarding the closing date, size, type, purpose of, and parties to, the Revolving Credit Facility.

Section 11.27 **Electronic Execution of Assignments and Certain Other Documents**. The words "execute", "execution", "signed", "signature", and words of like import in or related to this Agreement, any other Loan Document or any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, the electronic matching of assignment terms and contract formations on electronic platforms approved by Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state Laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. Notwithstanding anything contained herein to the contrary, Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by Administrative Agent pursuant to procedures approved by it; provided that without limiting the foregoing, (a) to the extent Administrative Agent has agreed to accept such Electronic Signature from any party hereto, Administrative Agent and the other parties hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the executing party without further verification and (b) upon the request of Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof.

Section 11.28 **Acknowledgement and Consent to Bail-In of Affected Financial Institutions**. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

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(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

Section 11.29 **Keepwell**. Each Qualified ECP Guarantor party hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of such other Loan Party's (a) Swap Obligations and (b) obligations under its Guaranty including those with respect to Swap Obligations (*provided, however*, that each Qualified ECP Guarantor shall only be liable under this Section for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section, or otherwise under this Agreement or any other Loan Document, voidable under applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Obligations (other than contingent indemnification obligations that survive the termination of this Agreement) have been paid in full and the Commitments have expired or terminated. Each Qualified ECP Guarantor intends that this Section constitute, and this Section shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of *Section 1a(18)(A)(v)(ii)* of the Commodity Exchange Act.

Section 11.30 **Acknowledgement Regarding Any Supported QFCs**. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedge Agreements or any other agreement or instrument that is a QFC (such support, "***QFC Credit Support***" and each such QFC a "***Supported QFC***"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "***U.S. Special Resolution Regimes***") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the Laws of the State of Texas and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "***Covered Party***") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in Property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to

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the same extent as the transfer would be effective under the U.S. Special Resolution Regimes if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in Property) were governed by the Laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regimes if the Supported QFC and the Loan Documents were governed by the Laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

Section 11.31 **NOTICE OF FINAL AGREEMENT**. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

Section 11.32 **No Recourse Against Non-Loan Party Affiliates**. No recourse shall be sought or had for the obligations of the Loan Parties against any Affiliate of the Borrower (other than an Affiliate that is a Loan Party), director, officer, shareholder, manager or agent of the Borrower or any of its Affiliates (that is not a Loan Party) other than as specified in the Loan Documents.

ARTICLE 12.

GUARANTY

Section 12.1 **Guaranty**. In consideration of the Loans, advances and other credit heretofore or hereafter granted by the Secured Parties to Borrower pursuant to this Agreement and the other Loan Documents and in further consideration of any Bank Product Agreements, Guarantors hereby, jointly and severally, unconditionally, absolutely and irrevocably, guarantee to the Secured Parties, the due and punctual payment when and as due, including at stated maturity, by acceleration or otherwise, and at all times thereafter, and the due fulfillment and performance of the Obligations. Each Guarantor is jointly and severally liable for the full payment and performance of the Obligations as a primary obligor.

Section 12.2 **Payment**. If any of the Obligations is not punctually paid when such indebtedness becomes due and payable, either by its terms or as a result of the exercise of any power to accelerate, Guarantors shall, immediately on demand and without presentment, protest, notice of protest, notice of nonpayment, notice of intent to accelerate, notice of acceleration or any other notice whatsoever (all of which are expressly waived in accordance with ***Section 12.3*** hereof), pay the amount due and payable thereon to Administrative Agent, at its Principal Office. It is not necessary for Administrative Agent, in order to enforce such payment by Guarantors, first to institute suit or exhaust its remedies against Borrower or others liable on the Obligations, or to enforce its rights against any security given to secure such Obligations. Administrative Agent is not required to mitigate damages or take any other action to reduce, collect or enforce the Obligations. No setoff, counterclaim, reduction or diminution of any obligation, or any defense of any kind which any Guarantor has or may have against Borrower or any Secured

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Party shall be available hereunder to Guarantors. No payment by any Guarantor shall discharge the liability of Guarantors hereunder until the Obligations have been fully satisfied and the Release Date shall have occurred. If Administrative Agent must rescind or restore any payment, or any part thereof, received by Administrative Agent on any part of the Obligations, any prior release or discharge from the terms of this Guaranty given Guarantors by Administrative Agent or any reduction of any Guarantor's liability hereunder shall be without effect, and this Guaranty shall remain in full force and effect.

Section 12.3 **Agreements and Waivers**. Each Guarantor:

(a) agrees to all terms and agreements heretofore or hereafter made by Borrower with Administrative Agent and/or any other Secured Party;

(b) agrees that Administrative Agent may without impairing its rights or the obligations of such Guarantor hereunder (i) waive or delay the exercise of any of its rights or remedies against or release Borrower or any other Person, including, without limitation, any other party who is or whose Property is liable with respect to the Obligations or any part thereof (Guarantors and any such other Person or Persons are hereafter collectively called the "***Sureties***" and individually called a "***Surety***"); (ii) take or accept any other security, collateral or guaranty, or other assurance of the payment of all or any part of the Obligations; (iii) release, surrender, exchange, subordinate or permit or suffer to exist any deterioration, waste, loss or impairment (including without limitation negligent, willful, unreasonable or unjustified impairment) of any collateral, Property or security, at any time existing in connection with, or assuring or securing payment of, all or any part of the Obligations or the liability of such Guarantor or any other Surety; (iv) increase, renew, extend, or modify the terms of any of the Obligations or any instrument or agreement evidencing the same; (v) apply payments by Borrower, any Surety, or any other Person, to any of the Obligations; (vi) bring suit against any one or more Sureties without joining any other Surety or Borrower in such proceeding; (vii) compromise or settle with any one or more Sureties in whole or in part for such consideration or no consideration as Administrative Agent may deem appropriate; or (viii) partially or fully release any Guarantor or any other Surety from liability hereunder;

(c) agrees that the obligations of such Guarantor under this Guaranty shall not be released, diminished, or adversely affected by any of the following: (i) the insolvency, bankruptcy, rearrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Borrower or any Surety; (ii) the invalidity, illegality or unenforceability of all or any part of the Obligations or any document or agreement executed in connection with the Obligations, for any reason, or the fact that any debt included in the Obligations exceeds the amount permitted by Law; (iii) the failure of Administrative Agent or any other party to exercise diligence or reasonable care or to act in a commercially reasonable manner in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of such collateral, Property or security; (iv) the fact that any collateral, security or Lien contemplated or intended to be given, created or granted as security for the repayment of the Obligations is not properly perfected or created, or proves to be unenforceable or subordinate to any other Lien; (v) the fact that Borrower has any defense to the payment of all or any part of the Obligations; (vi) any payment by Borrower or any Surety to Administrative Agent and/or any other Secured Party is a preference under applicable Debtor Relief Laws, or for any reason Administrative Agent and/or any other Secured Party is required to refund such payment or pay such amounts to Borrower, any such Surety, or someone else; (vii) any defenses which Borrower could assert on the Obligations, including but not limited to failure of consideration, breach of warranty, fraud, payment, accord and satisfaction, strict foreclosure, statute of frauds, bankruptcy, statute of limitations, lender liability and usury;

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or (viii) any other action taken or omitted to be taken with respect to this Agreement, the Loan Documents, the Obligations, the security and collateral therefor whether or not such action or omission prejudices such Guarantor or any Surety, or increases the likelihood that such Guarantor will be required to pay the Obligations pursuant to the terms hereof;

(d) agrees that such Guarantor is obligated to pay the Obligations when due, notwithstanding any occurrence, circumstance, event, action or omission whatsoever, whether or not particularly described herein, except for the full and final payment and satisfaction of the Obligations;

(e) to the extent allowed by applicable Law, waives all rights and remedies now or hereafter accorded by applicable Law to guarantors or sureties, including without limitation any defense, right of offset or other claim which such Guarantor may have against Borrower or which Borrower may have against Administrative Agent and/or the Lenders;

(f) waives all notices whatsoever with respect to this Guaranty or with respect to the Obligations, including, but without limitation, notice of (i) Administrative Agent's and/or any other Secured Party's acceptance hereof or its intention to act, or its action, in reliance hereon; (ii) the present existence, future incurring, or any amendment of the provisions of any of the Obligations or any terms or amounts thereof or any change therein in the rate of interest thereon; (iii) any default by Borrower or any Surety; or (iv) the obtaining, enforcing, or releasing of any guaranty or surety agreement (in addition hereto), pledge, assignment or other security for any of the Obligations;

(g) waives notice of presentment for payment, notice of protest, protest, demand, notice of intent to accelerate, notice of acceleration and notice of nonpayment, protest in relation to any instrument evidencing any of the Obligations, and any demands and notices required by Law, except as such waiver may be expressly prohibited by Law, and diligence in bringing suits against any Surety;

(h) waives each right to which it may be entitled by virtue of the Laws of the State of Texas governing or relating to suretyship and guaranties, including, without limitation, any rights under *Rule 31*, Texas Rules of Civil Procedure, *Chapter 51* of the Texas Property Code, *Section 17.001* of the Texas Civil Practice and Remedies Code, *Section 3.605* of the Uniform Commercial Code, and *Chapter 43* of the Texas Civil Practice and Remedies Code, as any or all of the same may be amended or construed from time to time, or the common law of the State of Texas at all relevant times; and

(i) represents and warrants to the Administrative Agent and the Lenders that such Guarantor (i) has received, or will receive, direct or indirect benefit from the making of the Guaranty and the Obligations, (ii) is familiar with, and has independently reviewed the books and records regarding, the financial condition of Borrower and is familiar with the value of any and all Collateral intended to be created as security for the payment of the Obligations, but such Guarantor is not relying on such financial condition, such Collateral, or the agreement of any other party as an inducement to enter into this Agreement and provide the Guaranty and (iii) is a Qualified ECP Guarantor. Each Guarantor confirms that neither Administrative Agent, any Lender, any other Guarantor, nor any other party has made any representation, warranty or statement to such Guarantor in order to induce such Guarantor to execute this Agreement and provide the Guaranty.

Section 12.4 **Liability.** The liability of each Guarantor under this Guaranty is irrevocable, absolute and unconditional, without regard to the liability of any other Person, and shall not in any manner be affected by reason of any action taken or not taken by Administrative

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Agent and/or any other Secured Party, which action or inaction is herein consented and agreed to, nor by the partial or complete unenforceability or invalidity of any other guaranty or surety agreement, pledge, assignment or other security for any of the Obligations. No delay in making demand on Sureties or any of them for satisfaction of the liability hereunder shall prejudice Administrative Agent's right to enforce such satisfaction. All of Administrative Agent's rights and remedies shall be cumulative and any failure of Administrative Agent to exercise any right hereunder shall not be construed as a waiver of the right to exercise the same or any other right at any time, and from time to time, thereafter. This is a continuing guaranty of payment, not a guaranty of collection, and this Guaranty shall be binding upon Guarantors regardless of how long before or after the date hereof any of the Obligations were or are incurred.

Section 12.5 **Subordination**. If Borrower or any other Loan Party is now or hereafter becomes indebted to one or more Guarantors (such indebtedness and all interest thereon is referred to as the "***Affiliated Debt***"), such Affiliated Debt shall be subordinate in all respects to the full payment and performance of the Obligations, and no Guarantor shall be entitled to enforce or receive payment with respect to any Affiliated Debt until the Release Date. Each Guarantor agrees that any Liens, mortgages, deeds of trust, security interests, judgment liens, charges or other encumbrances upon any Loan Party's assets securing the payment of the Affiliated Debt shall be and remain subordinate and inferior to any Liens, mortgages, deeds of trust, security interests, judgment liens, charges or other encumbrances upon any Loan Party's assets securing the payment of the Obligations, and without the prior written consent of Administrative Agent, no Guarantor shall exercise or enforce any creditor's rights of any nature against any Loan Party to collect the Affiliated Debt (other than demand payment therefor). In the event of the receivership, bankruptcy, reorganization, arrangement, debtor's relief or other insolvency proceedings involving Borrower or any applicable Loan Party as a debtor, Administrative Agent has the right and authority, either in its own name or as attorney-in-fact for any applicable Guarantor, to file such proof of debt, claim, petition or other documents and to take such other steps as are necessary to prove its rights hereunder and receive directly from the receiver, trustee or other court custodian, payments, distributions or other dividends which would otherwise be payable upon the Affiliated Debt. Each Guarantor hereby assigns such payments, distributions and dividends to Administrative Agent, and irrevocably appoints Administrative Agent as its true and lawful attorney-in-fact with authority to make and file in the name of such Guarantor any proof of debt, amendment of proof of debt, claim, petition or other document in such proceedings and to receive payment of any sums becoming distributable on account of the Affiliated Debt, and to execute such other documents and to give acquittances therefor and to do and perform all such other acts and things for and on behalf of such Guarantor as may be necessary in the opinion of Administrative Agent in order to have the Affiliated Debt allowed in any such proceeding and to receive payments, distributions or dividends of or on account of the Affiliated Debt.

Section 12.6 **Subrogation**. No Guarantor waives or releases any rights of subrogation, reimbursement or contribution which such Guarantor may have, after full and final payment of the Obligations, against others liable on the Obligations. Each Guarantor's rights of subrogation and reimbursement are subordinate in all respects to the rights and claims of Administrative Agent and the other Secured Parties, and no Guarantor may exercise any rights it may acquire by way of subrogation under this Guaranty, by payment made hereunder or otherwise, until the Release Date. If any amount is paid to any Guarantor on account of such subrogation rights prior to the Release Date, such amount shall be held in trust for the benefit of Administrative Agent and/or the other Secured Parties to be credited and applied on the Obligations, whether matured or unmatured.

Section 12.7 **Other Indebtedness or Obligations of Guarantors**. If any Guarantor is or becomes liable for any indebtedness owed by any Loan Party to the Lenders by endorsement or otherwise than under this Guaranty, such liability shall not be affected by this Guaranty, and

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the rights of Administrative Agent and the Lenders hereunder shall be cumulative of all other rights that Administrative Agent and the Lenders may have against such Guarantor. The exercise by Administrative Agent of any right or remedy hereunder or under any other instrument or at law or in equity shall not preclude the concurrent or subsequent exercise of any other instrument or remedy at law or in equity and shall not preclude the concurrent or subsequent exercise of any other right or remedy. Further, without limiting the generality of the foregoing, this Guaranty is given by Guarantors as an additional guaranty to all guaranties heretofore or hereafter executed and delivered to Administrative Agent and/or the Lenders by Guarantors in favor of Administrative Agent and/or the Lenders relating to the indebtedness of Borrower and the other Loan Parties to the Secured Parties, and nothing herein shall be deemed to replace or be in lieu of any other of such previous or subsequent guarantees.

Section 12.8 **Costs and Expenses**. Guarantors jointly and severally agree to pay to Administrative Agent and the Lenders, upon demand, all losses and costs and expenses, including attorneys' fees, that may be incurred by Administrative Agent and the Lenders in attempting to cause the Obligations to be satisfied or in attempting to cause satisfaction of Guarantors' liability under this Guaranty.

Section 12.9 **Exercising Rights, Etc**. No notice to or demand upon any Guarantor in any case shall, of itself, entitle such Guarantor or any other Guarantor to any other or further notice or demand in similar or other circumstances. No delay or omission by Administrative Agent in exercising any power or right hereunder shall impair such right or power or be construed as a waiver thereof or any acquiescence therein, nor shall any single or partial exercise of any such power preclude other or further exercise thereof, or the exercise of any other right or power hereunder.

Section 12.10 **Benefit; Binding Effect**. This Guaranty shall inure to the benefit of Administrative Agent and each other Secured Party and their respective successors and assigns, and to any interest in any of the Obligations. All of the obligations of Guarantors arising hereunder shall be jointly and severally binding on each of the Persons signing this Guaranty, and their respective successors and assigns (*provided, however*, that no Guarantor may, without the prior written consent of Administrative Agent in each instance, assign or delegate any of its rights, powers, duties or obligations hereunder, and any attempted assignment or delegation made without Administrative Agent's prior written consent shall be void ab initio and of no force or effect).

Section 12.11 **Multiple Guarantors**. It is specifically agreed that Administrative Agent may enforce the provisions hereof with respect to one or more Guarantors without seeking to enforce the same as to all or any Guarantors. If one or more additional guaranty agreements ("***Other Guaranties***") are executed by one or more additional guarantors ("***Other Guarantors***"), which guarantee, in whole or in part, any of the Obligations, it is specifically agreed that Administrative Agent may enforce the provisions of this Guaranty or of Other Guaranties with respect to one or more of Guarantors or any one or more of Other Guarantors under the Other Guaranties without seeking to enforce the provisions of this Guaranty or the Other Guaranties as to all or any of Guarantors or Other Guarantors. Each Guarantor hereby waives any requirement of joinder of all or any other Guarantor or all or any of the Other Guarantors in any suit or proceeding to enforce the provisions of this Guaranty or of the Other Guaranties. The liability hereunder of all Guarantors hereunder shall be joint and several.

Section 12.12 **Additional Guarantors**. From time to time subsequent to the date hereof, additional Persons may become parties hereto as additional Guarantors (each, an "***Additional Guarantor***"), by executing a Guarantor Joinder Agreement. Upon delivery of any such Guarantor Joinder Agreement to Administrative Agent, notice of which is hereby waived by Guarantors, each Additional Guarantor shall be a Guarantor and shall be as fully a party hereto as

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if Additional Guarantor were an original signatory hereto. Each Guarantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Guarantor hereunder, nor by any election of Administrative Agent not to cause any Subsidiary or Affiliate of Borrower to become an Additional Guarantor hereunder. This Guaranty shall be fully effective as to any Guarantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Guarantor hereunder.

Section 12.13 **Reinstatement**. Notwithstanding anything contained in this Agreement or the other Loan Documents, the obligations of each Guarantor under this ***Article 12*** shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and each Guarantor agrees that it will indemnify each Secured Party on demand for all reasonable costs and expenses (including, without limitation, reasonable fees of counsel) incurred by such Person in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any Debtor Relief Law.

Section 12.14 **Maximum Liability**. Anything in this Guaranty to the contrary notwithstanding, the obligations of each Guarantor hereunder shall be limited to a maximum aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under *Section 548* of *Title 11* of the United States Code or any applicable provisions of comparable Law (collectively, the "***Fraudulent Transfer Laws***"), in each case after giving effect to all other liabilities of such Guarantor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Guarantor in respect of intercompany indebtedness to other Loan Parties or Affiliates of other Loan Parties to the extent that such indebtedness would be discharged in an amount equal to the amount paid or Property conveyed by such Guarantor under the Loan Documents) and after giving effect as assets, subject to ***Section 12.6***, to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation or contribution of such Guarantor pursuant to (a) applicable Law or (b) any agreement providing for an equitable allocation among such Guarantor and other Loan Parties of obligations arising under the Loan Documents and Bank Product Agreements.

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EXECUTED to be effective as of the date first written above.

BORROWER:

SUNNOVA INVENTORY SUPPLY, LLC

By: _____
Name:
Title:

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TEXAS CAPITAL BANK,
as Administrative Agent, L/C Issuer and a Lender

By: _____
Name:
Title:

Signature Page to Credit Agreement – Sunnova Inventory Supply, LLC

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[***] = Certain information has been excluded from this exhibit because it is both not material and would likely cause harm to the company if publicly disclosed.

SCHEDULE 2.1

Commitments and Applicable Percentages

Lender	Commitment	Applicable Percentage
Texas Capital Bank	$50,000,000.00	100.000000000%
Total:	**$50,000,000.00**	**100.000000000%**

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SCHEDULE 2.10

Deposit Accounts

Name of Institution	Account Number	Description of Account
Texas Capital Bank	[***]	Operating
Texas Capital Bank	[***]	Collection
Texas Capital Bank	[***]	Liquidity Reserve

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SCHEDULE 5.25

Material Agreements

1. Master Intercompany Purchase Agreement
2. Subordinated Intercompany Note
3. Management Services Agreement

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SCHEDULE 6.1(d)

Monthly Reporting Requirements

Part 1 – Monthly Inventory Financial Information

A schedule or report showing each of the following (collectively, the "***Monthly Inventory Information***"):

(i) the aggregate total amount of Inventory on-hand at the beginning of the prior fiscal month (by major category);
(ii) the aggregate total amount of new Inventory purchased during the prior fiscal month (by major category) pursuant to the Master Intercompany Purchase Agreement;
(iii) the aggregate total amount of Inventory sold to customers during the prior fiscal month (by major category);
(iv) the aggregate total amount of Inventory sold back to Parent for direct sales and other programs during the prior fiscal month (by major category)
(v) the aggregate total amount of Inventory scrapped, disposed of or written down during the prior fiscal month (by major category); and
(vi) the aggregate total amount of Inventory on-hand at the end of the prior fiscal month (by major category).

Part 2 – Monthly Accounts Financial Information

A schedule or report showing each of the following (collectively, the "***Monthly Accounts Information***"):

(i) the aggregate total amount of trade Accounts at the beginning of the prior fiscal month;
(ii) the aggregate total amount of new invoices billed to customers during the prior fiscal month;
(iii) the aggregate total amount of cash collected from customers during the prior fiscal month;
(iv) the aggregate total amount of new invoices billed to Parent during the prior fiscal month;
(v) the aggregate total amount of cash collected from Parent during the prior fiscal month
(vi) the aggregate total amount of debit memos issued to customers during the prior fiscal month;
(vii) the aggregate total amount of credit memos issued to customers during the prior fiscal month; and
(viii) the aggregate total amount of trade Accounts at the end of the prior fiscal month.

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Part 3 – Monthly Subordinated Intercompany Note Financial Information

A schedule or report showing each of the following (collectively, the "***Monthly Subordinated Intercompany Note Financial Information***"):

(i) the amount of the Subordinated Intercompany Note at the beginning of the prior fiscal month;
(ii) the aggregate total amount of Inventory or Accounts sold to the Borrower by Parent pursuant to the Master Intercompany Purchase Agreement and financed under the Subordinated Intercompany Note during the prior fiscal month;
(iii) other cash or in-kind contributions provided by Parent to the Borrower and financed by the Subordinated Intercompany Note during the prior fiscal month;
(iv) the aggregate total amount of cash paid to Parent to repay the Subordinated Intercompany Note during the prior fiscal month; and
(v) the amount of the Subordinated Intercompany Note at the end of the prior fiscal month.

Part 4 – Monthly Revolving Credit Facility Financial Information

A schedule or report showing each of the following (collectively, the "***Monthly Revolving Credit Facility Financial Information***"):

(i) the outstanding Revolving Credit Exposure under the Revolving Credit Facility at the beginning of the prior fiscal month;
(ii) the aggregate total amount of new Loans to the Borrower during the prior fiscal month;
(iii) the aggregate total amount of interest, fees and other charges to the Borrower under the Revolving Credit Facility during the prior fiscal month;
(iv) the aggregate total amount of principal repaid by the Borrower during the prior fiscal month; and
(v) the outstanding Revolving Credit Exposure under the Revolving Credit Facility at the end of the prior fiscal month.

Part 5 – Other Monthly Financial Information

A schedule or report showing each of the following (collectively, the "***Other Monthly Financial Information***"):

(i) the Borrower's aggregate total cash-balances at the end of the prior fiscal month;
(ii) the aggregate total amount of all other cash disbursements to any party other than Parent or the Manager during the prior fiscal month; and
(iii) any other material financial transactions during the prior fiscal month or since the Closing Date.

[***] = Certain information has been excluded from this exhibit because it is both not material and would likely cause harm to the company if publicly disclosed.

SCHEDULE 6.15

Post-Closing Matters

1. The Borrower shall use commercially reasonable efforts to execute and deliver Collateral Access Agreements for each location required pursuant to Section 6.16 of the Credit Agreement on or prior to the date that is ninety (90) days following the Closing Date; *provided* that if the Borrower is unable to have the applicable Person execute a Collateral Access Agreement then such failure shall not constitute a Default or Event of Default under the Credit Agreement, but Administrative Agent may establish a Rent Reserve.

2. On or prior to the date that is fifteen (15) Business Days following the Closing Date (or such longer period as agreed to by the Administrative Agent in its sole discretion), the Borrower shall have delivered each insurance endorsement required pursuant to Section 6.5 of the Credit Agreement.

[***] = Certain information has been excluded from this exhibit because it is both not material and would likely cause harm to the company if publicly disclosed.

SCHEDULE 11.11

Notices

Notices under this Agreement shall be given:

(a) if to Borrower or any other Loan Party, to it in the care of the Borrower:

Sunnova Inventory Supply, LLC
c/o Sunnova Energy International Inc.
20 East Greenway Plaza, Suite 540
Houston, TX 77046
Attention: Chief Financial Officer and Treasurer
Email: [***]; [***]

With a copy to (which shall not constitute notice):

Baker Botts LLP
30 Rockefeller Plaza
New York, NY 10112
Attention: Jonathan Goldstein
E-Mail: [***]

(b) if to Administrative Agent, to Texas Capital Bank at its Principal Office at:

Texas Capital Bank
2000 McKinney Avenue, Suite 700
Dallas, Texas 75201
Attention: ABL Portfolio Manager
Telephone No.: [***]
Email: [***]; [***]

With a copy to (which shall not constitute notice):

Vinson & Elkins L.L.P.
2001 Ross Avenue, Suite 3900
Dallas, Texas 75201
Attention: Bailey Pham
Email: [***]

[***] = Certain information has been excluded from this exhibit because it is both not material and would likely cause harm to the company if publicly disclosed.

Reporting Items:
Attention: ABL Portfolio Manager
Facsimile No.: [***]
Telephone No.: [***]
E-Mail: [***]; [***]

Borrowing Requests, Repayments & Conversions:
Attention: Loan Operations/PSE
Facsimile No. [***];
Telephone No. [***];

(c) if to L/C Issuer – Same as (b);

(d) if to a Lender (other than Texas Capital Bank), to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

[***] = Certain information has been excluded from this exhibit because it is both not material and would likely cause harm to the company if publicly disclosed.

Exhibit 21.1

List of Subsidiaries of Sunnova Energy International Inc. as of February 26, 2025

Name of Subsidiary	Jurisdiction of Incorporation
Enerlast Insurance Group, LLC	Texas
Helios Depositor, LLC	Delaware
Helios Issuer, LLC	Delaware
Moonroad Services Group, LLC	Delaware
Starlane Manager, LLC	Delaware
Starlane Owner, LLC	Delaware
Sunnova ABS Holdings III, LLC	Delaware
Sunnova ABS Holdings IV, LLC	Delaware
Sunnova ABS Holdings IX, LLC	Delaware
Sunnova ABS Holdings V, LLC	Delaware
Sunnova ABS Holdings VI, LLC	Delaware
Sunnova ABS Holdings VII, LLC	Delaware
Sunnova ABS Holdings VIII, LLC	Delaware
Sunnova ABS Holdings X, LLC	Delaware
Sunnova ABS Holdings XI, LLC	Delaware
Sunnova ABS Holdings XII, LLC	Delaware
Sunnova ABS Holdings XIII, LLC	Delaware
Sunnova ABS Holdings XIV, LLC	Delaware
Sunnova ABS Holdings XV, LLC	Delaware
Sunnova ABS Holdings XVI, LLC	Delaware
Sunnova ABS Holdings, LLC	Delaware
Sunnova ABS Management, LLC	Delaware
Sunnova AP 6 Warehouse II, LLC	Delaware
Sunnova AP5-A, LLC	Delaware
Sunnova Asset Portfolio 4, LLC	Delaware
Sunnova Asset Portfolio 5 Holdings, LLC	Delaware
Sunnova Asset Portfolio 5, LLC	Delaware
Sunnova Asset Portfolio 6 Holdings, LLC	Delaware
Sunnova Asset Portfolio 6, LLC	Delaware
Sunnova Asset Portfolio 7 Holdings, LLC	Delaware
Sunnova Asset Portfolio 8 Holdings, LLC	Delaware
Sunnova Asset Portfolio 8, LLC	Delaware
Sunnova Asset Portfolio 9 Holdings, LLC	Delaware
Sunnova Asset Portfolio 9, LLC	Delaware
Sunnova Aurora I Depositor, LLC	Delaware
Sunnova Aurora I Holdings, LLC	Delaware
Sunnova Aurora I Investor, LLC	Delaware
Sunnova Aurora I Issuer, LLC	Delaware
Sunnova Aurora I Manager, LLC	Delaware
Sunnova Aurora I Owner, LLC	Delaware
Sunnova Business Markets Asset Owner, LLC	Delaware
Sunnova Business Markets Borrower, LLC	Delaware
Sunnova Business Markets Developer Co, LLC	Delaware
Sunnova Business Markets Holdings, LLC	Delaware
Sunnova C&I Management, LLC	Delaware

Sunnova COB I Holdings, LLC	Delaware
Sunnova COB I, LLC	Delaware
Sunnova Commercial Solar Asset Owner, LLC	Delaware
Sunnova Community Microgrids California, LLC	California
Sunnova Energy B.V.	Netherlands
Sunnova Energy Corporation	Delaware
Sunnova Energy GmbH	Germany
Sunnova Energy Guam, LLC	Delaware
Sunnova Energy Puerto Rico, LLC	Delaware
Sunnova EZ-Own Portfolio, LLC	Delaware
Sunnova Helios II Depositor, LLC	Delaware
Sunnova Helios II Issuer, LLC	Delaware
Sunnova Helios III Depositor, LLC	Delaware
Sunnova Helios III Issuer, LLC	Delaware
Sunnova Helios IV Depositor, LLC	Delaware
Sunnova Helios IV Issuer, LLC	Delaware
Sunnova Helios IX Depositor, LLC	Delaware
Sunnova Helios IX Issuer, LLC	Delaware
Sunnova Helios V Depositor, LLC	Delaware
Sunnova Helios V Issuer, LLC	Delaware
Sunnova Helios VI Depositor, LLC	Delaware
Sunnova Helios VI Issuer, LLC	Delaware
Sunnova Helios VII Depositor, LLC	Delaware
Sunnova Helios VII Issuer, LLC	Delaware
Sunnova Helios VIII Depositor, LLC	Delaware
Sunnova Helios VIII Issuer, LLC	Delaware
Sunnova Helios X Depositor, LLC	Delaware
Sunnova Helios X Issuer, LLC	Delaware
Sunnova Helios XI Depositor, LLC	Delaware
Sunnova Helios XI Issuer, LLC	Delaware
Sunnova Helios XII Depositor, LLC	Delaware
Sunnova Helios XII Issuer, LLC	Delaware
Sunnova Helios XIII Depositor, LLC	Delaware
Sunnova Helios XIII Issuer, LLC	Delaware
Sunnova Helios XIV Depositor, LLC	Delaware
Sunnova Helios XIV Issuer, LLC	Delaware
Sunnova Helios XV Depositor, LLC	Delaware
Sunnova Helios XV Issuer, LLC	Delaware
Sunnova Helios XVI Depositor, LLC	Delaware
Sunnova Helios XVI Issuer, LLC	Delaware
Sunnova Hestia Holdings, LLC	Delaware
Sunnova Hestia I Borrower, LLC	Delaware
Sunnova Hestia I Depositor, LLC	Delaware
Sunnova Hestia I Issuer, LLC	Delaware
Sunnova Hestia I Lender, LLC	Delaware
Sunnova Hestia II Borrower, LLC	Delaware
Sunnova Hestia II Depositor, LLC	Delaware
Sunnova Hestia II Issuer, LLC	Delaware

Sunnova Hestia II Lender, LLC	Delaware
Sunnova Hestia III Borrower, LLC	Delaware
Sunnova Hestia III Depositor, LLC	Delaware
Sunnova Hestia III Issuer, LLC	Delaware
Sunnova Hestia III Lender, LLC	Delaware
Sunnova Intermediate Holdings, LLC	Delaware
Sunnova Inventory Holdings, LLC	Delaware
Sunnova Inventory Management, LLC	Delaware
Sunnova Inventory Pledgor, LLC	Delaware
Sunnova Inventory Supply Holdings, LLC	Delaware
Sunnova Inventory Supply, LLC	Delaware
Sunnova LAP Holdings, LLC	Delaware
Sunnova LAP I, LLC	Delaware
Sunnova LAP II, LLC	Delaware
Sunnova Lease Vehicle 3-HI, LLC	Delaware
Sunnova Loan Distribution, LLC	Delaware
Sunnova Loan Servicing, LLC	Delaware
Sunnova Management, LLC	Delaware
Sunnova Microgrid Holdings, LLC	Delaware
Sunnova Protect Holdings, LLC	Delaware
Sunnova Protect Management, LLC	Delaware
Sunnova Protect OpCo, LLC	Delaware
Sunnova RAYS I Depositor, LLC	Delaware
Sunnova RAYS I Holdings, LLC	Delaware
Sunnova RAYS I Issuer, LLC	Delaware
Sunnova RAYS I Management, LLC	Delaware
Sunnova SAP I, LLC	Delaware
Sunnova SAP II, LLC	Delaware
Sunnova SAP IV, LLC	Delaware
Sunnova SLA Management, LLC	Delaware
Sunnova Sol Depositor, LLC	Delaware
Sunnova Sol Holdings, LLC	Delaware
Sunnova Sol II Depositor, LLC	Delaware
Sunnova Sol II Holdings, LLC	Delaware
Sunnova Sol II Issuer, LLC	Delaware
Sunnova Sol II Manager, LLC	Delaware
Sunnova Sol II Owner, LLC	Delaware
Sunnova Sol III Depositor, LLC	Delaware
Sunnova Sol III Holdings, LLC	Delaware
Sunnova Sol III Issuer, LLC	Delaware
Sunnova Sol III Manager, LLC	Delaware
Sunnova Sol III Owner, LLC	Delaware
Sunnova Sol Issuer, LLC	Delaware
Sunnova Sol IV Depositor, LLC	Delaware
Sunnova Sol IV Holdings, LLC	Delaware
Sunnova Sol IV Issuer, LLC	Delaware
Sunnova Sol IV Manager, LLC	Delaware
Sunnova Sol IV Owner, LLC	Delaware

Sunnova Sol IX Depositor, LLC	Delaware
Sunnova Sol IX Holdings, LLC	Delaware
Sunnova Sol IX Investor, LLC	Delaware
Sunnova Sol IX Issuer, LLC	Delaware
Sunnova Sol IX Manager, LLC	Delaware
Sunnova Sol IX Owner, LLC	Delaware
Sunnova Sol Manager, LLC	Delaware
Sunnova Sol Owner, LLC	Delaware
Sunnova Sol V Depositor, LLC	Delaware
Sunnova Sol V Holdings, LLC	Delaware
Sunnova Sol V Issuer, LLC	Delaware
Sunnova Sol VI Depositor, LLC	Delaware
Sunnova Sol VI Holdings, LLC	Delaware
Sunnova Sol VI Issuer, LLC	Delaware
Sunnova Sol VI Manager, LLC	Delaware
Sunnova Sol VI Owner, LLC	Delaware
Sunnova Sol VII Depositor, LLC	Delaware
Sunnova Sol VII Holdings, LLC	Delaware
Sunnova Sol VII Investor, LLC	Delaware
Sunnova Sol VII Issuer, LLC	Delaware
Sunnova Sol VII Manager, LLC	Delaware
Sunnova Sol VII Owner, LLC	Delaware
Sunnova Sol VIII Depositor, LLC	Delaware
Sunnova Sol VIII Holdings, LLC	Delaware
Sunnova Sol VIII Investor, LLC	Delaware
Sunnova Sol VIII Issuer, LLC	Delaware
Sunnova Sol X Depositor, LLC	Delaware
Sunnova Sol X Holdings, LLC	Delaware
Sunnova Sol X Investor, LLC	Delaware
Sunnova Sol X Issuer, LLC	Delaware
Sunnova Sol X Manager, LLC	Delaware
Sunnova Sol X Owner, LLC	Delaware
Sunnova Solstice ABS Holdco, LLC	Delaware
Sunnova Solstice Borrower, LLC	Delaware
Sunnova Solstice Holdings, LLC	Delaware
Sunnova Solstice Pledgor, LLC	Delaware
Sunnova Solstice RR Holdco, LLC	Delaware
Sunnova SSA Management, LLC	Delaware
Sunnova TE Management I, LLC	Delaware
Sunnova TE Management II, LLC	Delaware
Sunnova TE Management III, LLC	Delaware
Sunnova TE Management, LLC	Delaware
Sunnova TEP 6-A Manager, LLC	Delaware
Sunnova TEP 6-A, LLC	Delaware
Sunnova TEP 6-B Manager, LLC	Delaware
Sunnova TEP 6-B, LLC	Delaware
Sunnova TEP 6-C Manager, LLC	Delaware
Sunnova TEP 6-C, LLC	Delaware

Sunnova TEP 6-D Manager, LLC	Delaware
Sunnova TEP 6-D, LLC	Delaware
Sunnova TEP 6-E Manager, LLC	Delaware
Sunnova TEP 6-E, LLC	Delaware
Sunnova TEP 7-A Manager, LLC	Delaware
Sunnova TEP 7-A, LLC	Delaware
Sunnova TEP 7-B Manager, LLC	Delaware
Sunnova TEP 7-B, LLC	Delaware
Sunnova TEP 7-C Manager, LLC	Delaware
Sunnova TEP 7-C, LLC	Delaware
Sunnova TEP 7-D Manager, LLC	Delaware
Sunnova TEP 7-D, LLC	Delaware
Sunnova TEP 7-E Manager, LLC	Delaware
Sunnova TEP 7-E, LLC	Delaware
Sunnova TEP 7-F Manager, LLC	Delaware
Sunnova TEP 7-F, LLC	Delaware
Sunnova TEP 7-G Manager, LLC	Delaware
Sunnova TEP 7-G, LLC	Delaware
Sunnova TEP 8-A Manager, LLC	Delaware
Sunnova TEP 8-A, LLC	Delaware
Sunnova TEP 8-B Manager, LLC	Delaware
Sunnova TEP 8-B, LLC	Delaware
Sunnova TEP 8-C Manager, LLC	Delaware
Sunnova TEP 8-C, LLC	Delaware
Sunnova TEP 8-D Manager, LLC	Delaware
Sunnova TEP 8-D, LLC	Delaware
Sunnova TEP 8-E Manager, LLC	Delaware
Sunnova TEP 8-E, LLC	Delaware
Sunnova TEP 8-F Manager, LLC	Delaware
Sunnova TEP 8-F, LLC	Delaware
Sunnova TEP 8-G Manager, LLC	Delaware
Sunnova TEP 8-G, LLC	Delaware
Sunnova TEP 8-H Manager, LLC	Delaware
Sunnova TEP 8-H, LLC	Delaware
Sunnova TEP 8-I Manager, LLC	Delaware
Sunnova TEP 8-I, LLC	Delaware
Sunnova TEP 9-A Manager, LLC	Delaware
Sunnova TEP 9-A, LLC	Delaware
Sunnova TEP 9-B Manager, LLC	Delaware
Sunnova TEP 9-B, LLC	Delaware
Sunnova TEP 9-C Manager, LLC	Delaware
Sunnova TEP 9-C, LLC	Delaware
Sunnova TEP 9-D Manager, LLC	Delaware
Sunnova TEP 9-D, LLC	Delaware
Sunnova TEP 9-E Manager, LLC	Delaware
Sunnova TEP 9-E, LLC	Delaware
Sunnova TEP 9-F Manager, LLC	Delaware
Sunnova TEP 9-F, LLC	Delaware

Sunnova TEP Developer, LLC	Delaware
Sunnova TEP Holdings, LLC	Delaware
Sunnova TEP I Developer, LLC	Delaware
Sunnova TEP I Holdings, LLC	Delaware
Sunnova TEP I Manager, LLC	Delaware
Sunnova TEP I, LLC	Delaware
Sunnova TEP II Developer, LLC	Delaware
Sunnova TEP II Holdings, LLC	Delaware
Sunnova TEP II Manager, LLC	Delaware
Sunnova TEP II, LLC	Delaware
Sunnova TEP II-B, LLC	Delaware
Sunnova TEP III Manager, LLC	Delaware
Sunnova TEP III, LLC	Delaware
Sunnova TEP Inventory, LLC	Delaware
Sunnova TEP IV-A Manager, LLC	Delaware
Sunnova TEP IV-A, LLC	Delaware
Sunnova TEP IV-B Manager, LLC	Delaware
Sunnova TEP IV-B, LLC	Delaware
Sunnova TEP IV-C Manager, LLC	Delaware
Sunnova TEP IV-C, LLC	Delaware
Sunnova TEP IV-D Manager, LLC	Delaware
Sunnova TEP IV-D, LLC	Delaware
Sunnova TEP IV-E Manager, LLC	Delaware
Sunnova TEP IV-E, LLC	Delaware
Sunnova TEP IV-F Manager, LLC	Delaware
Sunnova TEP IV-F, LLC	Delaware
Sunnova TEP IV-G Manager, LLC	Delaware
Sunnova TEP IV-G, LLC	Delaware
Sunnova TEP OpCo, LLC	Delaware
Sunnova TEP Resources, LLC	Delaware
Sunnova TEP V-A Manager, LLC	Delaware
Sunnova TEP V-A, LLC	Delaware
Sunnova TEP V-B Manager, LLC	Delaware
Sunnova TEP V-B, LLC	Delaware
Sunnova TEP V-C Manager, LLC	Delaware
Sunnova TEP V-C, LLC	Delaware
Sunnova TEP V-D Manager, LLC	Delaware
Sunnova TEP V-D, LLC	Delaware
Sunnova TEP V-E Manager, LLC	Delaware
Sunnova TEP V-E, LLC	Delaware
Sunstreet TEP Inventory, LLC	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-273466) and Form S-8 (Nos. 333-232878 and 333-265137) of Sunnova Energy International Inc. of our report dated March 3, 2025 relating to the financial statements and financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
March 3, 2025

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William J. Berger, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sunnova Energy International Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 3, 2025

/s/ William J. Berger

William J. Berger
Chief Executive Officer

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Eric M. Williams, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sunnova Energy International Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 3, 2025

/s/ Eric M. Williams

Eric M. Williams
Chief Financial Officer

Exhibit 32.1

CHIEF EXECUTIVE OFFICER CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. §1350, the undersigned officer of Sunnova Energy International Inc. (the "Registrant") hereby certifies that, to his knowledge, the Registrant's Annual Report on Form 10-K for the year ended December 31, 2024 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: March 3, 2025

/s/ William J. Berger

William J. Berger
Chief Executive Officer

Exhibit 32.2

CHIEF FINANCIAL OFFICER CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. §1350, the undersigned officer of Sunnova Energy International Inc. (the "Registrant") hereby certifies that, to his knowledge, the Registrant's Annual Report on Form 10-K for the year ended December 31, 2024 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: March 3, 2025

/s/ Eric M. Williams

Eric M. Williams
Chief Financial Officer