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

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

Date of Report: May 2021

Commission File Number: 001-39368

MAXEON SOLAR TECHNOLOGIES, LTD.
(Exact Name of registrant as specified in its charter)

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8 Marina Boulevard #05-02
Marina Bay Financial Centre
018981, Singapore
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

SIGNATURES

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

MAXEON SOLAR TECHNOLOGIES, LTD.
(Registrant)

May 20, 2021	By:	/s/ Kai Strohbecke
		Kai Strohbecke
		Chief Financial Officer

EXHIBITS

Exhibit	Title
99.1	Press release on first quarter 2021 financial results
99.2	Financial results for the first quarter ended April 4, 2021

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Maxeon Solar Technologies Announces First Quarter 2021 Financial Results

--Shipments of 379 MW; Revenue $165 million--
--Performance Line U.S. Market Traction: Supply Agreement for ~1 GW to Primergy's Gemini Project--

Singapore, May 21, 2021 – Maxeon Solar Technologies, Ltd. (NASDAQ:MAXN) ("Maxeon" or "the Company"), a global leader in solar innovation and channels, today announced its financial results for the first quarter ended April 4, 2021.

Commenting on first quarter results, Maxeon's Chief Executive Officer Jeff Waters noted, "As expected, results for the first quarter of 2021 were in line with our recently offered outlook. Shipment and revenue declines reflected the natural seasonal pattern in our distributed generation business, combined with our ongoing pause in large scale. Gross margins were relatively stable considering the volume decline, with better average selling prices offsetting volume deleveraging. Operating expenses ran higher sequentially, but in line with projections. As we conclude the remaining SunPower separation activities, we expect to bring operating expenses down in the quarters ahead."

Looking ahead, Waters elaborated, "We are optimistic about our long-term prospects as we continue to make significant progress in key strategic growth areas. Our newly announced initiative to bring Performance line products to North America is progressing rapidly, with an agreement to supply approximately 1 GW for Primergy's Gemini Project. Our Beyond the Panel strategy is unfolding as planned, with Maxeon AC panels on track to exceed 20% of distributed generation revenues outside the United States as we exit the year. As well, we continue to optimize our manufacturing footprint and support margins as we ramp Maxeon 6 production and phase out our legacy Maxeon 2 line."

Waters concluded, "Maxeon has a heritage of leading the solar industry through advanced technology development, and as an independent company we are accelerating this effort. Two days ago, we again demonstrated our technical leadership with the introduction of Maxeon Air, a disruptive technology platform that enables the production of frameless, thin, lightweight, and conformable solar panels. The Maxeon Air solar panel can open new market opportunities. Furthermore, research and development on our next-generation Maxeon 7 is hitting its milestones, with visibility for greater than 25% efficiency at launch. We are enthusiastic about our technology roadmap, which we believe will drive robust growth for years to come."

Selected Q1 Financial Summary

(In thousands, except shipments)	**Fiscal Q1 2021**	**Fiscal Q4 2020**	**Fiscal Q1 2020**
Shipments, in MW	379	655	531
Revenue(1)	$ 165,417	$ 245,564	$ 227,640
Gross profit(1)	1,051	7,313	3,232
Operating expenses(1)	37,207	32,805	32,812
Net (loss) income attributable to stockholders(1)	(38,814)	3,458	(31,749)
Capital investments	10,958	13,301	5,746

(In thousands)	Other Financial Data[1, 2] Fiscal Q1 2021	Fiscal Q4 2020	Fiscal Q1 2020
Non-GAAP gross profit	$ 1,274	$ 7,657	$ 3,698
Non-GAAP operating expenses	35,067	31,644	31,389
Adjusted EBITDA	(25,650)	(17,035)	(9,379)

(1) The Company's GAAP and Non-GAAP results were impacted by the effects of certain items. Refer to “Supplementary information affecting GAAP and Non-GAAP results” below.

(2) The Company's use of Non-GAAP financial information, including a reconciliation to U.S. GAAP, is provided under “Use of Non-GAAP Financial Measures” below.

Supplementary information affecting GAAP and Non-GAAP results

		Three Months Ended		
(In thousands)	Financial statements item affected	April 4, 2021	January 3, 2021	March 29, 2020
Incremental cost of above market polysilicon[1]	Cost of revenue	$ 11,618	$ 18,202	$ 15,266
Loss on ancillary sales of excess polysilicon[2]	Cost of revenue	1,720	2,544	1,987

(1) Relates to the difference between our contractual cost for the polysilicon under the long-term fixed supply agreements with supplier and the price of polysilicon available in the market as derived from publicly available information at the time, multiplied by the volume of polysilicon we have consumed.

(2) In order to reduce inventory and improve working capital, we have periodically elected to sell polysilicon inventory procured under the long-term fixed supply agreements in the market at prices below our purchase price, thereby incurring a loss.

Second Quarter 2021 Outlook

For the second quarter of 2021, the Company anticipates the following results:

(In millions, except shipments)	Outlook
Shipments, in MW	415 - 475 MW
Revenue	$165 - $185
Gross loss[1]	$5 - $15
Operating expenses	$38 ± $2
Non-GAAP operating expenses[2]	$31 ± $2
Adjusted EBITDA[1, 3]	$(30) - $(40)
Capital investments[4]	$50 - $60
Out-of-market polysilicon cost[1]	$16 - $19
Restructuring charges[2, 5]	$5 - $6

(1) Outlook for Gross loss and Adjusted EBITDA includes out-of-market polysilicon cost.

(2) The Company's Non-GAAP operating expenses are impacted by the effects of adjusting for stock-based compensation expense and restructuring charges.

(3) The Company cannot provide a reconciliation between its Adjusted EBITDA projection and the most directly comparable GAAP measures without unreasonable efforts because it is unable to predict with reasonable certainty the ultimate outcome of the remeasurement gain or loss of prepaid forward.

(4) Capital investments are directed mainly to upgrading production from Maxeon 2 to Maxeon 5 and 6 in our Malaysia factory, and research and development activities related to the new Maxeon 7 technology.

(5) We are in the process of closing our module factory in Toulouse, France resulting in anticipated restructuring charges. The restructuring charges are included in operating expenses.

These anticipated results for the second quarter of 2021 are preliminary, unaudited and represent the most current information available to management. The Company's business outlook is based on management's current views and estimates with respect to market conditions, production capacity, the uncertainty of the continuing impact of the COVID-19 pandemic, and the global economic environment. Please refer to Forward Looking Statements section below. Management's views and estimates are subject to change without notice.

For more information

Maxeon's first quarter 2021 financial results and management commentary can be found on Form 6-K by accessing the Financials & Filings page of the Investor Relations section of Maxeon's website at: https://www.maxeon.com/investor-relations. The Form 6-K and Company's other filings are also available online from the Securities and Exchange Commission at www.sec.gov.

Conference Call Details

The Company will hold a conference call on May 20, 2021, at 6:00 PM U.S. ET / May 21, 2021, at 6:00 AM Singapore Time, to discuss results and to provide an update on the business. Conference call details are below.

Dial-in:
North America (toll-free): +1 (833) 301-1154
International: +1 (914) 987-7395
Singapore: +65 3165-4607
Conference ID: 9747889

A simultaneous webcast of the conference call will be available on Maxeon's website at https://www.maxeon.com/events-and-presentations.

Listeners should dial in or log on 10 minutes in advance. A replay will be available online within 24 hours after the event.

A replay of the conference call may be accessed by phone at the following numbers until May 27, 2021. To access the replay, please reference the following numbers:

North America (toll-free): +1 (855) 859-2056 / +1 (800) 585-8367
International: +1 (404) 537-3406
Conference ID: 9747889

About Maxeon Solar Technologies

Maxeon Solar Technologies Ltd (NASDAQ: MAXN) is Powering Positive Change™. Headquartered in Singapore, Maxeon designs, manufactures and manufactures Maxeon® and SunPower® brand solar panels, and has sales operations in more than 100 countries, operating under the SunPower brand in certain countries outside the United States. The Company is a leader in solar innovation with access to over 1,000 patents and two best-in-class solar panel product lines. With operations in Africa, Asia, Oceania, Europe and Mexico, Maxeon's products span the global rooftop and solar power plant markets through a network of more than 1,200 trusted partners and distributors. A pioneer in sustainable solar manufacturing, Maxeon leverages a 35-year history in the solar industry and numerous awards for its technology. For more information about how Maxeon is Powering Positive Change™ visit us at https://www.maxeon.com/, on LinkedIn and on Twitter.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding: (a) our expectations regarding pricing trends, demand and growth projections; (b) potential disruptions to our operations and supply chain that may result from epidemics or natural disasters, including the duration, scope and impact on the demand for our products and the pace of recovery from the COVID-19 pandemic; (c) anticipated product launch timing and our expectations regarding ramp, customer acceptance and demand, upsell and expansion opportunities; (d) our expectations and plans for short- and long-term strategy, including our anticipated areas of focus and investment, market expansion, product and technology focus, and projected growth and profitability; (e) our liquidity, substantial indebtedness, and ability to obtain additional financing or renegotiate our existing financing arrangements; (f) our upstream technology outlook, including anticipated fab utilization and expected ramp and production timelines for the Company's Maxeon 5 and 6, next-generation Maxeon 7 and Performance line solar panels, expected cost reduction, and future performance; (g) our strategic goals and plans, including partnership discussions with respect to the Company's next generation technology, and our relationships with existing customers, suppliers and partners, and our ability to achieve and maintain them; (h) expectations regarding our future performance and revenues resulting from contracted orders, bookings, backlog, and pipelines in our sales channels; (i) expected demand recovery and market traction for Maxeon as a result of anticipated product launches; (j) our second quarter fiscal year 2021 guidance, including revenue, gross profit, operating expenses, non-GAAP operating expenses, Adjusted EBITDA, capital investments, restructuring charges, out-of-market polysilicon cost, and related assumptions; (k) our expectations regarding the potential outcome, or financial or other impact on our business, as a result of the Spin-off from SunPower Corporation; and (l) our projected effective tax rate and changes to the valuation allowance related to our deferred tax assets. The forward-looking statements can be also identified by terminology such as "may," "might," "could," "will," "aims," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the quotations from management in this press release and Maxeon's operations and business outlook contain forward-looking statements.

These forward-looking statements are based on our current assumptions, expectations and beliefs and involve substantial risks and uncertainties that may cause results, performance or achievement to materially differ from those expressed or implied by these forward-looking statements. These statements are not guarantees of future performance and are subject to a number of risks. The reader should not place undue reliance on these forward-looking statements, as there can be no assurances that the plans, initiatives or expectations upon which they are based will occur. Factors that could cause or contribute to such differences include, but are not limited to: (1) challenges in executing transactions key to our strategic plans, including regulatory and other challenges that may arise; (2) potential disruptions to our operations and supply chain that may result from damage or destruction of facilities operated by our suppliers, epidemics or natural disasters, including impacts of the COVID-19 pandemic; (3) the success of our ongoing research and development efforts and our ability to commercialize new products and services, including products and services developed through strategic partnerships; (4) competition in the solar and general energy industry and downward pressure on selling prices and wholesale energy pricing; (5) our liquidity, substantial indebtedness, and ability to obtain additional financing for our projects and customers; (6) changes in public policy, including the imposition and applicability of tariffs; (7) regulatory changes and the availability of economic incentives promoting use of solar energy; (8) fluctuations in our operating results; (9) appropriately sizing our manufacturing capacity and containing manufacturing and logistics difficulties that could arise; (10) unanticipated impact to customer demand and sales schedules due, among other factors, to the spread of COVID-19 and other environmental disasters; (11) challenges managing our acquisitions, joint ventures and partnerships, including our ability to successfully manage acquired assets and supplier relationships; and (12) unpredictable outcomes resulting from our litigation activities. A detailed discussion of these factors and other risks that affect our business is included in filings we make with the Securities and Exchange Commission ("SEC") from time to time, including our most recent report on Form 20-F, particularly under the heading "Risk Factors". Copies of these filings are available online from the SEC at www.sec.gov, or on the SEC Filings section of our Investor Relations website at https://www.maxeon.com/investor-relations. All forward-looking statements in this press release are based on information currently available to us, and we assume no obligation to update these forward-looking statements in light of new information or future events.

Use of Non-GAAP Financial Measures

We present certain non-GAAP measures such as non-GAAP gross profit, non-GAAP operating expenses and earnings before interest, taxes, depreciation and amortization ("EBITDA") adjusted for stock-based compensation, restructuring charges and remeasurement gain on prepaid forward and physical delivery forward ("Adjusted EBITDA") to supplement our condensed consolidated and combined financial results presented in accordance with GAAP. Non-GAAP gross profit is defined as gross profit excluding stock-based compensation. Non-GAAP operating expenses is defined as operating expenses excluding stock-based compensation and restructuring charges.

We believe that non-GAAP gross profit, non-GAAP operating expenses and Adjusted EBITDA provide greater transparency into management's view and assessment of the Company's ongoing operating performance by removing items management believes are not representative of our continuing operations and may distort our longer-term operating trends. We believe these measures are useful to help enhance the comparability of our results of operations across different reporting periods on a consistent basis and with our competitors, distinct from items that are infrequent or not associated with the Company's core operations as presented above. We also use these non-GAAP measures internally to assess our business, financial performance and current and historical results, as well as for strategic decision-making and forecasting future results. Given our use of non-GAAP measures, we believe that these measures may be important to investors in understanding our operating results as seen through the eyes of management. These non-GAAP measures are neither prepared in accordance with GAAP nor are they intended to be a replacement for GAAP financial data, should be reviewed together with GAAP measures and may be different from non-GAAP measures used by other companies.

As presented in the "Reconciliation of Non-GAAP Financial Measures" section, each of the non-GAAP financial measures excludes one or more of the following items in arriving to the non-GAAP measures:

- *Stock-based compensation expense*. Stock-based compensation relates primarily to equity incentive awards. Stock-based compensation is a non-cash expense that is dependent on market forces that are difficult to predict and is excluded from non-GAAP gross profit, non-GAAP operating expense and Adjusted EBITDA. Management believes that this adjustment for stock-based compensation expense provides investors with a basis to measure our core performance, including the ability to compare our performance with the performance of other companies, without the period-to-period variability created by stock-based compensation.

- *Restructuring charges (benefits)*. We incur restructuring charges related to reorganization plans aimed towards realigning resources consistent with our global strategy and improving its overall operating efficiency and cost structure. Restructuring charges are excluded from non-GAAP operating expenses and Adjusted EBITDA because they are not considered core operating activities and such costs have historically occurred infrequently. Although we have engaged in restructuring activities in the past, past activities have been discrete events based on unique sets of business objectives. As such, management believes that it is appropriate to exclude restructuring charges from our non-GAAP financial measures as they are not reflective of ongoing operating results nor do these charges contribute to a meaningful evaluation of our past operating performance.

- *Remeasurement gain on prepaid forward and physical delivery forward*. This relates to the mark-to-market fair value remeasurement of privately negotiated prepaid forward and physical delivery transactions. The transactions were entered into in connection with the issuance on July 17, 2020 of the 6.50% Green Convertible Senior Notes due 2025 for an aggregate principal amount of $200.0 million. The prepaid forward is remeasured to fair value at the end of each reporting period, with changes in fair value booked in earnings. The fair value of the prepaid forward is primarily affected by the Company's share price. The physical delivery forward was remeasured to fair value at the end of the Note Valuation Period on September 29, 2020, and was reclassified to equity after remeasurement, and will not be subsequently remeasured. The fair value of the physical delivery forward was primarily affected by the Company's share price. The remeasurement gain on prepaid forward and physical delivery forward is excluded from Adjusted EBITDA because it is not considered core operating activities. As such, management believes that it is appropriate to exclude these mark-to-market adjustments from our Adjusted EBITDA as they are not reflective of ongoing operating results nor do these gains contribute to a meaningful evaluation of our past operating performance.

Reconciliation of Non-GAAP Financial Measures

(In thousands)	Three Months Ended		
	April 4, 2021	January 3, 2021	March 29, 2020
GAAP gross profit	**$ 1,051**	**$ 7,313**	**$ 3,232**
Stock-based compensation	223	344	466
Non-GAAP gross profit	**1,274**	**7,657**	**3,698**
GAAP operating expenses	**37,207**	**32,805**	**32,812**
Stock-based compensation	(1,281)	(1,170)	(1,423)
Restructuring (charges) benefits	(859)	9	—
Non-GAAP operating expenses	**35,067**	**31,644**	**31,389**
GAAP net (loss) income attributable to stockholders	**(38,814)**	**3,458**	**(31,749)**
Interest expense, net	7,612	8,127	5,905
Provision for income taxes	2,262	4,737	468
Depreciation	9,217	9,068	12,288
Amortization	65	39	1,820
EBITDA	(19,658)	25,429	(11,268)
Stock-based compensation	1,504	1,514	1,889
Restructuring charges (benefits)	859	(9)	—
Remeasurement gain on prepaid forward and physical delivery forward	(8,355)	(43,969)	—
Adjusted EBITDA	**(25,650)**	**(17,035)**	**(9,379)**

Reconciliation of Non-GAAP Outlook

(In millions)	Outlook
Operating expenses	**$38 ± $2**
Stock-based compensation	$(1.5)
Restructuring charges	$(5.5)
Non-GAAP operating expenses	**$31 ± $2**

MAXEON SOLAR TECHNOLOGIES, LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(In thousands, except for shares data)

	As of	
	April 4, 2021	**January 3, 2021**
Assets		
Current assets		
Cash and cash equivalents	$ 131,417	$ 206,744
Restricted short-term marketable securities	1,351	1,359
Accounts receivable, net	60,479	76,702
Inventories	199,082	169,240
Advances to suppliers, current portion	47,379	43,680
Prepaid expenses and other current assets	44,605	49,470
Total current assets	**$ 484,313**	**$ 547,195**
Property, plant and equipment, net	264,262	246,908
Operating lease right-of-use assets	12,884	13,482
Other intangible assets, net	391	456
Advances to suppliers, net of current portion.	36,124	49,228
Other long-term assets	129,696	123,074
Total assets	**$ 927,670**	**$ 980,343**
Liabilities and Equity		
Current liabilities		
Accounts payable	$ 167,320	$ 159,184
Accrued liabilities	65,926	77,307
Contract liabilities, current portion	29,834	20,756
Short term debt	35,587	48,421
Operating lease liabilities, current portion	2,286	2,464
Total current liabilities	**$ 300,953**	**$ 308,132**
Long-term debt	752	962
Contract liabilities, net of current portion	4,821	33,075
Operating lease liabilities, net of current portion	11,516	12,064
Convertible debt	137,608	135,071
Other long-term liabilities	72,508	51,752
Total liabilities	**$ 528,158**	**$ 541,056**
Commitments and contingencies		
Equity		
Common stock, no par value (34,223,806 and 33,995,116 issued and outstanding as of April 4, 2021 and January 3, 2021, respectively)	$ —	$ —
Additional paid-in capital	450,494	451,474
Accumulated deficit	(47,255)	(8,441)
Accumulated other comprehensive loss	(10,470)	(10,391)
Equity attributable to the Company	392,769	432,642
Noncontrolling interests	6,743	6,645
Total equity	399,512	439,287
Total liabilities and equity	**$ 927,670**	**$ 980,343**

MAXEON SOLAR TECHNOLOGIES, LTD.
CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS
(unaudited)
(In thousands, except per share data)

	Three Months Ended	
	April 4, 2021	**March 29, 2020**
Revenue	$ 165,417	$ 227,640
Cost of revenue	164,366	224,408
Gross profit	1,051	3,232
Operating expenses		
Research and development	13,030	8,570
Sales, general and administrative	23,318	24,242
Restructuring charges	859	—
Total operating expenses	37,207	32,812
Operating loss	(36,156)	(29,580)
Other income (expense), net		
Interest expense, net	(7,612)	(5,905)
Other, net	9,444	4,631
Other income (expense), net	1,832	(1,274)
Loss before income taxes and equity in (losses) earnings of unconsolidated investee	(34,324)	(30,854)
Provision for income taxes	(2,262)	(468)
Equity in (losses) earnings of unconsolidated investee	(2,130)	245
Net loss	(38,716)	(31,077)
Net income attributable to noncontrolling interests	(98)	(672)
Net loss attributable to stockholders	$ (38,814)	$ (31,749)
Net loss per share attributable to stockholders:		
Basic	$ (1.14)	$ (1.49)
Diluted	(1.14)	(1.49)
Weighted average shares used to compute net loss per share:		
Basic	34,123	21,265
Diluted	34,123	21,265

MAXEON SOLAR TECHNOLOGIES, LTD.
CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF EQUITY
(unaudited)
(In thousands)

	Shares	Amount	Additional Paid-in Capital	Net Parent Investment	Accumulated Deficit	Accumulated Other Comprehensive Loss	Equity Attributable to the Company	Noncontrolling Interests	Total Equity
Balance at January 3, 2021	33,995	$ —	$ 451,474	$ —	$ (8,441)	$ (10,391)	$ 432,642	$ 6,645	$ 439,287
Net loss	—	—	—	—	(38,814)	—	(38,814)	98	(38,716)
Issuance of common stock for stock-based compensation, net of tax withheld	229	—	(2,550)	—	—	—	(2,550)	—	(2,550)
Recognition of stock-based compensation	—	—	1,570	—	—	—	1,570	—	1,570
Other comprehensive loss	—	—	—		—	(79)	(79)	—	(79)
Balance at April 4, 2021	34,224	$ —	$ 450,494	$ —	$ (47,255)	$ (10,470)	$ 392,769	$ 6,743	$ 399,512

	Shares	Amount	Additional Paid-in Capital	Net Parent Investment	Accumulated Deficit	Accumulated Other Comprehensive Loss	Equity Attributable to the Company	Noncontrolling Interests	Total Equity
Balance at December 29, 2019	—	$ —	$ —	$ 369,837	$ —	$ (7,618)	$ 362,219	$ 5,304	$ 367,523
Net loss	—	—	—	(31,749)	—	—	(31,749)	672	(31,077)
Other comprehensive income	—	—	—	—	—	1,612	1,612	—	1,612
Net Parent contribution	—	—	—	35,958	—	—	35,958	—	35,958
Balance at March 29, 2020	—	$ —	$ —	$ 374,046	$ —	$ (6,006)	$ 368,040	$ 5,976	$ 374,016

MAXEON SOLAR TECHNOLOGIES, LTD.
CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS
(unaudited)
(In thousands)

	Three Months Ended	
	April 4, 2021	**March 29, 2020**
Cash flows from operating activities		
Net loss	$ (38,716)	$ (31,077)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	9,292	14,658
Stock-based compensation	1,504	1,889
Non-cash interest expense	3,494	5,198
Equity in losses (earnings) of unconsolidated investee	2,130	(245)
Deferred income taxes	(919)	808
Gain on equity investments	—	(1,281)
Remeasurement gain on Prepaid Forward	(8,355)	—
Other, net	1,047	1,064
Changes in operating assets and liabilities		
Accounts receivable	15,203	21,645
Contract assets	311	(1,204)
Inventories	(29,793)	(13,015)
Prepaid expenses and other assets	(446)	417
Operating lease right-of-use assets	598	—
Advances to suppliers	9,405	8,936
Accounts payable and other accrued liabilities	(17,464)	(65,108)
Contract liabilities	2,612	(36,564)
Operating lease liabilities	(726)	69
Net cash used in operating activities	(50,823)	(93,810)
Cash flows from investing activities		
Purchases of property, plant and equipment	(10,958)	(5,746)
Proceeds from dividends and partial return of capital by an unconsolidated investee	—	2,462
Net cash used in investing activities	(10,958)	(3,284)
Cash flows from financing activities		
Proceeds from debt	50,083	64,144
Repayment of debt	(62,816)	(60,949)
Repayment of finance lease obligations	(180)	(156)
Payment for tax withholding obligations for issuance of common stock upon vesting of restricted stock units	(2,550)	—
Net Parent contribution	—	29,273
Net cash (used in) provided by financing activities	(15,463)	32,312
Effect of exchange rate changes on cash, cash equivalents and restricted cash	105	(261)
Net decrease in cash, cash equivalents and restricted cash	(77,139)	(65,043)
Cash, cash equivalents and restricted cash, beginning of period	209,572	123,803
Cash, cash equivalents and restricted cash, end of period	$ 132,433	$ 58,760

	Three Months Ended	
	April 4, 2021	March 29, 2020
Non-cash transactions		
Property, plant and equipment purchases funded by liabilities	$ 23,537	$ 1,334
Interest expense financed by SunPower	—	4,250
Aged supplier financing balances reclassified from accounts payable to short term debt	—	5,000

The following table reconciles our cash and cash equivalents and restricted cash reported on our Condensed Consolidated Balance Sheets and the cash, cash equivalents and restricted cash reported on our Condensed Consolidated and Combined Statements of Cash Flows as of April 4, 2021 and March 29, 2020:

(In thousands)	April 4, 2021	March 29, 2020
Cash and cash equivalents	$ 131,417	$ 55,792
Restricted cash, current portion, included in Prepaid expenses and other current assets	489	2,966
Restricted cash, net of current portion, included in Other long-term assets	527	2
Total cash, cash equivalents and restricted cash shown in Condensed Consolidated and Combined Statements of Cash Flows	$ 132,433	$ 58,760

Financial Results for the First Quarter Ended April 4, 2021

Overview

Maxeon Solar Technologies, Ltd ("Maxeon", the "Company", "we", "us", and "our") (NASDAQ: MAXN) is Powering Positive Change™. Headquartered in Singapore, Maxeon designs and manufactures Maxeon® and SunPower® brand solar panels, and has sales operations in more than 100 countries, operating under the SunPower brand in certain countries outside the United States. Maxeon is a leader in solar innovation with access to over 1,000 patents and two best-in-class solar panel product lines. With operations in Africa, Asia, Oceania, Europe and Mexico, Maxeon's products span the global rooftop and solar power plant markets through a network of more than 1,200 trusted partners and distributors. A pioneer in sustainable solar manufacturing, Maxeon leverages a 35-year history in the solar industry and numerous awards for its technology.

Unaudited Summary of Financial Results

Basis of Presentation Prior to Spin-off

On August 26, 2020 (the "Distribution Date"), SunPower Corporation ("SunPower") completed the spin-off (the "Spin-off") of Maxeon. The Spin-off was completed by way of a pro rata distribution of all of the then-issued and outstanding ordinary shares, no par value, of Maxeon (the "Maxeon shares") to holders of record of SunPower's common stock (the "Distribution") as of the close of business on August 17, 2020. As a result of the Distribution of the Maxeon shares, on the Distribution Date, Maxeon became an independent, public company under the name Maxeon Solar Technologies, Ltd. and the Maxeon shares started trading on the NASDAQ Global Select Market under the symbol "MAXN."

Standalone financial statements have not been historically prepared for our business. These interim condensed consolidated and combined financial statements of the Company have been derived (i) from the condensed consolidated financial statements and accounting records of SunPower as if we had operated on our own during the period presented and were prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") prior to August 26, 2020 and (ii) subsequent to August 26, 2020, the consolidated financial statements of the Company as an independent public company.

Prior to the Spin-off, as there is no controlling financial interest present between or among the entities that comprise our business, we prepared the financial statements of the Company on a combined basis. Net parent investment in the Company's business is shown in lieu of equity attributable to the Company as there is no consolidated entity in which SunPower holds an equity interest. Net parent investment represents SunPower's interest in the recorded net assets of the Company. Following the Spin-off, the unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All periods presented have been accounted for in conformity with U.S. GAAP and pursuant to the regulations of the SEC.

Impact of COVID-19 to our Business

In December 2019, a novel strain of coronavirus ("COVID-19") was reported, resulting in shutdowns of manufacturing and commerce in the months that followed. Since then, the COVID-19 pandemic has spread worldwide, including the countries in which we operate, and has resulted in authorities implementing numerous measures to try to contain the disease or slow its spread, such as travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns. COVID-19 has had an adverse impact on most aspects of our business, operations and financial performance, and the impact is ongoing and will likely continue to evolve. We will continue to actively monitor the situation and may take further actions altering our business operations that we determine are in the best interests of our employees, customers, partners, suppliers, and stakeholders, or as required by governmental authorities. For more information on the risks of COVID-19 to our business, please refer to our Annual Report on Form 20-F for the fiscal year ended January 3, 2021.

Revenue and Cost of Revenue

(In thousands)	Three Months Ended April 4, 2021	Three Months Ended March 29, 2020
Revenue	$ 165,417	$ 227,640
Cost of revenue	164,366	224,408
Gross profit	$ 1,051	$ 3,232
Gross margin	<1 %	1 %

During the three months ended April 4, 2021 and March 29, 2020, we recognized revenue from sales of modules and components of $165.4 million and $227.6 million, respectively, of which $58.2 million, or 35.2% and $69.0 million or 30.3%, respectively, represented sales of solar modules to SunPower. The pricing term prior to the Spin-off was made at transfer prices determined based on management's assessment of market-based pricing terms. Subsequent to the Spin-off, pricing is based on the supply agreement with SunPower. For the three months ended April 4, 2021, other than the sale transactions with SunPower, we had no customers that accounted for at least 10% of revenues. For the three months ended March 29, 2020, in addition to sale transactions with SunPower, we had one additional customer that accounted for at least 10% of revenues.

The decrease of $62.2 million in revenue during the three months ended April 4, 2021 as compared to the three months ended March 29, 2020 was primarily due to lower sales to the power plant market, reduction in module sales in the United States, Asia, and Latin American markets as a result of adverse impact of COVID-19.

Cost of revenue was $164.4 million and $224.4 million in the three months ended April 4, 2021 and March 29, 2020, respectively. Cost of revenue includes $1.7 million and $2.0 million, in the three months ended April 4, 2021 and March 29, 2020, respectively, related to losses incurred as a result of ancillary sales to third parties of excess polysilicon procured under long-term fixed supply agreements. In addition, we estimated that we incurred $11.6 million and $15.3 million in the three months ended April 4, 2021 and March 29, 2020, respectively, above the current market price for polysilicon as we were bound by our long-term fixed supply agreements for polysilicon consumed in our manufacturing process, which is the difference between our contractual cost under the long-term fixed supply agreements and the price of polysilicon available in the market as derived from publicly available information, multiplied by the volume of polysilicon we have consumed. The remainder of cost of revenue includes actual cost of materials, labor and manufacturing overhead incurred for revenue-producing units shipped, and associated warranty costs.

The decrease of $60.0 million in cost of revenue during the three months ended April 4, 2021 as compared to the three months ended March 29, 2020 was primarily due to lower volume of sales.

Revenue by Geography

(In thousands)	Three Months Ended April 4, 2021	Three Months Ended March 29, 2020
United States	$ 58,640	$ 70,467
France	30,940	27,435
Japan	4,278	34,118
Rest of the world[1]	71,559	95,620
Total revenues	$ 165,417	$ 227,640

[1] Revenue included under "Rest of the world" comprise countries that are individually less than 10% for the periods presented.

Revenues are attributed to U.S. and international geographies primarily based on the destination of the shipments.

The $58.6 million in sales attributed to the U.S. includes $58.2 million in sales to SunPower for the three months ended April 4, 2021. The $70.5 million in sales attributed to the U.S. includes $69.0 million in sales to SunPower for the three months ended March 29, 2020.

Operating Expenses

Prior to Spin-off, operating expenses included allocations of general corporate expenses from SunPower including, but not limited to, executive management, finance, legal, information technology, employee benefits administration, treasury, risk management, procurement, and other shared services. These allocations were made on a direct usage basis when identifiable, with the remainder allocated on the basis of revenue or headcount as relevant measures. Management of Maxeon and SunPower considered these allocations to be a reasonable reflection of the utilization of services by, or the benefits provided to, us. The allocations may not, however, reflect the expense we would have incurred as a standalone company for the period presented, nor our future results upon completion of the Spin-off. Actual costs that may have been incurred if we had been a standalone company, and future costs, would depend on a number of factors, including the chosen organizational structure, what functions were outsourced or performed by employees and strategic decisions made in areas such as information technology and infrastructure.

Post Spin-off, operating expenses includes expenses relating to the Transition Services Agreement, Product Collaboration Agreement and certain other agreements which were entered into to effect the separation and provide a framework for our relationship with SunPower after the separation and Distribution. For a description of these agreements, please refer to "Item 7. Major Shareholders and Related Party Transactions" disclosure in our Annual Report on Form 20-F for the fiscal year ended January 3, 2021.

	Three Months Ended	
	April 4, 2021	**March 29, 2020**
(In thousands)		
Operating expenses:		
Research and development	$ 13,030	$ 8,570
Sales, general and administrative	23,318	24,242
Restructuring charges	859	—
Total operating expenses	$ 37,207	$ 32,812

Research and Development Expenses

Research and development expenses were $13.0 million in the three months ended April 4, 2021 primarily associated with expenditures on our Maxeon 6 and 7 cell and panel technology, comprising of compensation expense (including stock-based compensation) of $7.6 million, expenses for leased equipment of $2.4 million, facilities expense of $1.1 million, and research and development materials of $1.0 million. Included in these expenses is $10.3 million related to the Product Collaboration Agreement with SunPower.

Research and development expenses were $8.6 million in the three months ended March 29, 2020 primarily associated with expenditures on our Maxeon 5 and 6 cell and panel technology, comprising of compensation expenses of $4.8 million, research and development materials of $0.8 million and depreciation expenses of $0.7 million.

Sales, General and Administrative Expenses

Sales, general and administrative expenses were $23.3 million in the three months ended April 4, 2021 and comprised primarily of $9.9 million of compensation expense (including stock-based compensation), $6.0 million of professional fees, $1.8 million of equipment related expenses, $1.6 million of insurance expense and $1.0 million of bad debt provision.

Sales, general and administrative expenses were $24.2 million in the three months ended March 29, 2020 and comprised primarily of $7.8 million of compensation expenses, $4.4 million of allocations of general corporate expenses from SunPower, including, but not limited to, executive management, finance, legal, information technology and other shared services necessary to operate as a stand-alone public company, $3.0 million of professional fees, $1.7 million of equipment related expenses and $1.6 million of facilities related costs including rent, utilities and maintenance.

Restructuring Charges

Restructuring charges were $0.9 million in the three months ended April 4, 2021 and nil in the three months ended March 29, 2020. The charges were related to severance payouts in the three months ended April 4, 2021.

Other Income (Expense), net

	Three Months Ended	
	April 4, 2021	**March 29, 2020**
(In thousands)		
Other income (expense), net:		
Interest expense, net	$ (7,612)	$ (5,905)
Other, net	9,444	4,631
Other income (expense), net	$ 1,832	$ (1,274)

Of the total $7.6 million in interest expense, net, incurred during the three months ended April 4, 2021, $5.8 million relates to the Green Convertible Notes due 2025 and $1.2 million related to our term loan and working capital facilities. The remaining interest expense relates to the Company’s other outstanding debt arrangements.

Of the total $5.9 million in interest expense, net, incurred during the three months ended March 29, 2020, $4.6 million relates to interest expense and debt issuance amortization expense for 4.00% debenture due 2023 and $0.6 million related to non-cash accretion charges in connection with the annual installments related to our 2016 acquisition of 100% equity voting interest in our former joint venture AUO SunPower Sdn. Bhd. The remaining interest expense relates to the Company’s other outstanding debt arrangements.

The proceeds of SunPower's 4.00% debenture were used to finance the solar cell manufacturing facility in the Philippines which relates to our historical business. Since the 4.00% debentures due 2023 represent legal obligations of SunPower which were not transferred to us, they are not reflected in our Condensed Consolidated Balance Sheets in the periods presented. However, the associated interest expense and the debt issuance cost amortization are reflected in our Condensed Consolidated and Combined Statements of Operations prior to the Spin-off to reflect our historical cost of doing business.

Other, net for the three months ended April 4, 2021 was primarily comprised of a $8.4 million gain on the remeasurement of Prepaid Forward associated with the Green Convertible Notes. For more information on the Prepaid Forward and Green Convertible Notes, please refer to “Item 5.B. Liquidity and Capital Resources” disclosure in our Annual Report on Form 20-F for the fiscal year ended January 3, 2021.

Other, net for the three months ended March 29, 2020 was primarily comprised of $3.0 million foreign exchange gains and a gain of $1.3 million related to an increase in the fair value of our equity investment without readily determinable fair value, based on observable market transactions with a third-party investor.

Income Taxes

	Three Months Ended	
	April 4, 2021	**March 29, 2020**
(In thousands)		
Provision for income taxes	$ (2,262)	$ (468)

The interim income tax expense and other income tax related information contained in these condensed consolidated and combined financial statements are calculated in accordance with FASB guidance for interim reporting of income tax, based on a projected annual effective tax rate while excluding loss jurisdictions which cannot be benefited. Our projected effective tax rate is based on forecasted annualized results which may fluctuate in future periods, in particular due to the uncertainty in our annual forecasts resulting from the unpredictable duration and severity of the COVID-19 pandemic on our operating results. The Company did not have any specific projects which may give rise to any significant, unusual, infrequent in nature or discontinued operations in the three months ended April 4, 2021.

In the three months ended April 4, 2021, our income tax provision of $2.3 million was primarily due to increased projected tax expense in jurisdictions that are profitable. Our income tax provision of $0.5 million in the three months ended March 29, 2020 was primarily due to tax expense in jurisdictions that were profitable, offset by tax benefit related to release of tax reserves due to lapse of statute of limitations.

We record a valuation allowance to reduce our deferred tax assets in Malta, Spain, South Africa and Singapore to the amount that is more likely than not to be realized. In assessing the need for a valuation allowance, we consider historical levels of income, expectations and risks associated with the estimates of future taxable income and ongoing prudent and feasible tax planning strategies. In the event we determine that we would be able to realize additional deferred tax assets in the future in excess of the net recorded amount, or if we subsequently determine that realization of an amount previously recorded is unlikely, we would record an adjustment to the deferred tax asset valuation allowance, which would change income tax in the period of adjustment.

Equity in (Losses) Earnings of Unconsolidated Investee

For the three months ended April 4, 2021, our unconsolidated investee, Huansheng Photovoltaic (Jiangsu) Co., Ltd, a joint venture incorporated in China (“Huansheng JV”), in which we have a shareholding of 20%, reported a loss for which we recorded our reportable share of $2.1 million. For the three months ended March 29, 2020, Huansheng JV reported a profit for which we recorded our reportable share of $0.2 million.

Net Income Attributable to Noncontrolling Interests

For the three months ended April 4, 2021 and March 29, 2020, we attributed $0.1 million and $0.7 million of net income, respectively, to noncontrolling interests who held 20% and 24.05% shareholding of our subsidiaries, SunPower Systems International Limited and SunPower Energy Systems Southern Africa (Pty) Ltd respectively. The decrease in net income attributable to noncontrolling interests was a result of less profitable operations from our non-wholly owned subsidiaries.

Recent Developments

Equity Issuances

On April 20, 2021, Maxeon issued $125.0 million of ordinary shares in a public equity offering at a price of $18.00 per share (the “Offering”). Maxeon also granted the underwriters an option to purchase up to an additional $18.7 million of ordinary shares in the Offering on the same terms and conditions, which was exercised in full by the underwriters. In addition, pursuant to a stock purchase agreement, dated April 13, 2021, entered into with an affiliate of our shareholder Tianjin Zhonghuan Semiconductor (“TZS”), Maxeon agreed to sell to TZS, in a private placement (the “TZS Private Placement”) exempt from the registration requirements of the Securities Act of 1933, as amended, and at a sale price equal to the Offering share price, 1,870,000 ordinary shares.

The net proceeds from the Offering and the TZS Private Placement were approximately $170.9 million after giving effect to the underwriting discounts and commissions paid in cash. Maxeon intends to use a portion of the net proceeds from the Offering and the TZS Private Placement for general corporate purposes, which is expected to include funding its previously announced Performance line expansion and may also include ramping up production and development of next-generation Maxeon 7, increasing manufacturing capacity for Maxeon 5 and 6, research and development and other projects.

Liquidity and Capital Resources

As of April 4, 2021, we had unrestricted cash and cash equivalents of $131.4 million as compared to $206.7 million as of January 3, 2021. The decrease in unrestricted cash and cash equivalents was primarily attributable to $50.8 million, $11.0 million and $15.5 million net cash used in our operating, investing and financing activities respectively

As of April 4, 2021 and January 3, 2021, the outstanding debt was $236.3 million and $249.4 million, respectively. Our capital investments, which are subject to obtaining necessary board and lender consents, are expected to be funded with cash from operations, net proceeds from our Offering in April 2021, financing, or other available sources of liquidity. We expect total capital investments of approximately $170 million in fiscal year 2021 focused on increasing our manufacturing capacity for our highest efficiency Maxeon 5 and 6 product platform, implementing additional manufacturing capacity for Performance line panels to be sold into the U.S. market, as well as advancing other projects. From time-to-time and under market conditions that we believe are favorable to us, we may consider capital market transactions, including the offering of debt and equity securities.

As of April 4, 2021 and January 3, 2021, we had an obligation to purchase $216.7 million and $242.4 million, respectively, of polysilicon material pursuant to long-term fixed supply agreements with one polysilicon supplier. Of this commitment, as of April 4, 2021 and January 3, 2021, we had prepaid $83.5 million and $92.9 million, respectively. In July 2020, we negotiated an extension of the polysilicon agreement with respect to our contractual purchase obligation. The balance between the revised purchase commitment and the prepaid balance of $133.2 million as of April 4, 2021 is expected to be paid in cash over a period ending December 2022 as we purchase the contractually committed quantities specified.

We believe that our current cash, cash equivalents, net proceeds from the Offering and the TZS Private Placement and cash expected to be generated from operations will be sufficient to meet our obligations over the next 12 months from the date of filing. In conjunction with evaluating our ability to continue as a going concern, we have considered the post Spin-off debt and equity proceeds, the amended supply agreements with SunPower and our Huansheng JV which provides for flexibility of expedited repayment and extended credit period, respectively, at our discretion, our historical ability to work with customers and our vendors to obtain favorable payment terms, when possible, and our ability to reduce manufacturing output to reduce inventory in order to optimize our working capital. Events that disrupt production such as COVID-19 would impact our business operations and the overall supply of raw materials and components, which would in turn increase our costs, were also factored in the evaluation.

While we rely on a limited number of suppliers for certain raw materials and components for our solar cells, panels and power systems, such as polysilicon, inverters and module material, and specifically our Huansheng JV for our Performance line modules, we continue to focus on improving our overall operating performance and liquidity, such as taking proactive steps to overcome freight and supply cost challenges, continuing optimization of our factories, controlling operating expenses, and managing cash flows and working capital. We may also choose to explore additional options in connection with our short-term liquidity needs, such as selling raw materials inventory to third parties, pledging available assets to facilitate additional debt financing, liquidating certain investments, implementing additional restructuring plans, re-negotiating favorable payment terms with customers and vendors, and deferring or canceling uncommitted capital expenditures and other investment or acquisition activities. From time to time, we evaluate our staffing levels in response to changes in our business needs and demand for our products in order to manage costs and improve performance which may result in restructuring of our workforce and associated costs.

There are no assurances that we will have sufficient available cash to repay our indebtedness or that we will be able to refinance such indebtedness on similar terms to the expiring indebtedness or at all. If our capital resources are insufficient to satisfy our liquidity requirements, we may seek to sell additional equity investments or debt securities or obtain other debt financing. The current economic environment, however, could limit our ability to raise capital by issuing new equity or debt securities on acceptable terms or at all, and lenders may be unwilling to lend funds on acceptable terms or at all in the amounts that would be required to supplement cash flows to support operations. The sale of additional equity investments or convertible debt securities would result in dilution to our stockholders and may not be available on favorable terms or at all. Additional debt would result in increased expenses and would likely impose new restrictive covenants which may be similar or different than those restrictions contained in the covenants under our current loan agreement. In addition, financing arrangements and letters of credit facilities, may not be available to us, or may not be available in amounts or on terms acceptable to us. As of April 4, 2021, the Company has not drawn down on our $125.0 million debt facilities (the “Bank Facilities”). As a condition to obtaining consent under the Bank Facilities to amend our capital expenditures plans for the Maxeon group as part of the Offering and the TZS Private Placement, we have agreed to renegotiate the terms of the Bank Facilities before we are permitted to draw down on the facilities. If we are unable to reach agreement, we are able to cancel the undrawn commitments under each of the Bank Facilities and thereby terminate the Bank Facilities at any time without penalty to us.

Although we have historically been able to generate liquidity, we cannot predict, with certainty, the outcome of our actions to generate liquidity as planned. Additionally, we are uncertain of the impact over time of the COVID-19 pandemic to our supply chain, manufacturing, and distribution as well as overall construction and consumer spending. While we currently do not anticipate the need to do so, if the COVID-19 pandemic causes adverse cash flow and liquidity trends greater than those we currently expect and have planned for, or if our ability to generate cash to support our operations is affected due to our challenges in obtaining supplies at competitive prices, we may find it necessary to seek additional borrowings. Our liquidity is subject to various risks including the risks identified in “Risk Factors” and market risks identified in “Quantitative and Qualitative Disclosures about Market Risk” in the Annual Report on Form 20-F for the fiscal year ended January 3, 2021.

Cash Flows

A summary of the sources and uses of cash, cash equivalents and restricted cash is as follows:

	Three Months Ended	
	April 4, 2021	**March 29, 2020**
(In thousands)		
Net cash used in operating activities	$ (50,823)	$ (93,810)
Net cash used in investing activities	(10,958)	(3,284)
Net cash (used in) provided by financing activities	(15,463)	32,312

Operating Activities

Net cash used in operating activities in the three months ended April 4, 2021 was $50.8 million and was primarily the result of: (i) net loss of $38.7 million; (ii) adjustment for non-cash remeasurement gain on Prepaid Forward of $8.4 million; (iii) increase in inventories of $29.8 million; and (iv) decrease in accounts payable and other accrued liabilities of $17.5 million due to timing of settlement of invoices.

This was partially offset by: decrease in accounts receivables of $15.2 million, primarily attributable to billings and collection cycles; (ii) adjustment for non-cash charges of $11.8 million related to depreciation and amortization, stock-based compensation and other non-cash charges; (iii) adjustment for non-cash interest charges of $3.5 million, (iv) $9.4 million decrease in advance payments to suppliers and (v) $2.6 million decrease in contract liabilities.

Net cash used in operating activities in the three months ended March 29, 2020 was $93.8 million and was primarily the result of: (i) $65.1 million decrease in accounts payable and other accrued liabilities, primarily attributable to the timing of invoice payments; (ii) $36.6 million decrease in contract liabilities; (iii) net loss of $31.1 million; and (iv) $13.0 million increase in inventories.

This was primarily offset by: (i) $21.6 million decrease in accounts receivables, primarily attributable to billings and collection cycles; (ii) adjustment for non-cash charges of $17.6 million related to depreciation and amortization, stock-based compensation and other non-cash charges; and (iii) $8.9 million decrease in advance payments to suppliers; and (iv) adjustment for non-cash interest charges of $5.2 million primarily attributable to $4.6 million in interest expense financed by SunPower associated with SunPower's convertible debt.

Investing Activities

Net cash used in investing activities in the three months ended April 4, 2021 was $11.0 million arising from capital expenditures.

Net cash used in investing activities in the three months ended March 29, 2020 was $3.3 million, which primarily included $5.7 million of capital expenditures, partially offset by approximately $2.5 million from return of capital by an unconsolidated investee and proceeds from sale of equity investment.

Financing Activities

Net cash used in financing activities in the three months ended April 4, 2021 was $15.5 million, which included repayment of debt obligations of $62.8 million and payment for tax withholding obligations on vested restricted stock units of $2.6 million. This was primarily offset by $50.1 million in proceeds from debt.

Net cash provided by financing activities in the three months ended March 29, 2020 was $32.3 million, which included $64.1 million in proceeds from bank loans and other debt and $29.3 million net contributions from SunPower, partially offset by $60.9 million in cash used for repayment of debt obligation. As prior to the Spin-off, cash and the financing of our operations have historically been managed by SunPower, the components of Net Parent contribution include cash payments by SunPower to settle our obligations. These transactions were considered to be effectively settled for cash at the time the transaction is recorded.

Forward-Looking Statements

Certain statements relating to Maxeon in this document or documents incorporated by reference constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding: (a) our expectations regarding pricing trends, demand and growth projections; (b) potential disruptions to our operations and supply chain that may result from epidemics or natural disasters, including the duration, scope and impact on the demand for our products and the pace of recovery from the COVID-19 pandemic; (c) anticipated product launch timing and our expectations regarding ramp, customer acceptance and demand, upsell and expansion opportunities; (d) our expectations and plans for short- and long-term strategy, including our anticipated areas of focus and investment, market expansion, product and technology focus, and projected growth and profitability; (e) our liquidity, substantial indebtedness, and ability to obtain additional financing or renegotiate our existing financing arrangements; (f) our upstream technology outlook, including anticipated fab utilization and expected ramp and production timelines for the Company's Maxeon 5 and 6, next-generation Maxeon 7 and Performance line solar panels, expected cost reduction, and future performance; (g) our strategic goals and plans, including partnership discussions with respect to the Company's next generation technology, and our relationships with existing customers, suppliers and partners, and our ability to achieve and maintain them; (h) our expectations regarding our future performance and revenues resulting from contracted orders, bookings, backlog, and pipelines in our sales channels; (i) expected demand recovery and market traction for Maxeon as a result of anticipated product launches; (j) our expectations regarding the potential outcome, or financial or other impact on our business, as a result of the Spin-off from SunPower Corporation; and (k) our projected effective tax rate and changes to the valuation allowance related to our deferred tax assets.

The forward-looking statements can be also identified by terminology such as "may," "might," "could," "will," "aims," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the quotations from management in this press release and Maxeon's operations and business outlook contain forward-looking statements.

These forward-looking statements are based on our current assumptions, expectations and beliefs and involve substantial risks and uncertainties that may cause results, performance or achievement to materially differ from those expressed or implied by these forward-looking statements. These statements are not guarantees of future performance and are subject to a number of risks. The reader should not place undue reliance on these forward-looking statements, as there can be no assurances that the plans, initiatives or expectations upon which they are based will occur. Factors that could cause or contribute to such differences include, but are not limited to: (1) challenges in executing transactions key to our strategic plans, including regulatory and other challenges that may arise; (2) potential disruptions to our operations and supply chain that may result from damage or destruction of facilities operated by our suppliers, epidemics or natural disasters, including impacts of the COVID-19 pandemic; (3) the success of our ongoing research and development efforts and our ability to commercialize new products and services, including products and services developed through strategic partnerships; (4) competition in the solar and general energy industry and downward pressure on selling prices and wholesale energy pricing; (5) our liquidity, substantial indebtedness, and ability to obtain additional financing for our projects and customers; (6) changes in public policy, including the imposition and applicability of tariffs; (7) regulatory changes and the availability of economic incentives promoting use of solar energy; (8) fluctuations in our operating results; (9) appropriately sizing our manufacturing capacity and containing manufacturing and logistics difficulties that could arise; (10) unanticipated impact to customer demand and sales schedules due, among other factors, to the spread of COVID-19 and other environmental disasters; and (11) challenges managing our acquisitions, joint ventures and partnerships, including our ability to successfully manage acquired assets and supplier relationships. A detailed discussion of these factors and other risks that affect our business is included in filings we make with the SEC from time to time, including our most recent report on Form 20-F, particularly under the heading "Risk Factors". Copies of these filings are available online from the SEC at www.sec.gov, or on the SEC Filings section of our Investor Relations website at https://www.maxeon.com/investor-relations. All forward-looking statements in this press release are based on information currently available to us, and we assume no obligation to update these forward-looking statements in light of new information or future events.