

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

FORM 20-F

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OF THE SECURITIES EXCHANGE ACT OF 1934
- OR
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Fiscal Year Ended December 31, 2023
- OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
- OR
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-39368

Maxeon Solar Technologies, Ltd.  
(Exact name of registrant as specified in its charter)

N/A  
(Translation of Registrant's name into English)  
Singapore

(Jurisdiction of incorporation or organization)  
8 Marina Boulevard #05-02  
Marina Bay Financial Centre  
Singapore 018981

(Address of principal executive office)

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+1-626-884-4756

(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, no par value	MAXN	NASDAQ Global Select Market

Securities for which there is a reporting obligation pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

53,959,909 ordinary shares as of December 31, 2023

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

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. 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, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	S	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on an 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 (15U.S.C. 7762(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 which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP	S	International Financial Reporting Standards as issued by the International Accounting Standards Board	<input type="checkbox"/>	Other	<input type="checkbox"/>
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If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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## INTRODUCTION

We are registered with the Accounting and Corporate Regulatory Authority of Singapore (“ACRA”) under the name “Maxeon Solar Technologies, Ltd.”

We were formed in the third quarter of 2019 under the name “Maxeon Solar Technologies, Pte. Ltd.” and converted to a public company on August 26, 2020 (the “Distribution Date”) under the Companies Act 1967 of Singapore (the “Singapore Companies Act”) under the name of “Maxeon Solar Technologies, Ltd.”

We prepare consolidated financial statements expressed in U.S. dollars. Our consolidated financial statements responsive to Item 17 of this Form 20-F are prepared in accordance with generally accepted accounting principles in the United States (“GAAP”).

The Company has a 52-to-53-week fiscal year that ends on the Sunday closest to December 31. Accordingly, every fifth or sixth year will be a 53-week fiscal year. Fiscal year 2023, 2022 and 2021 are 52-week fiscal years. Our fiscal year 2023 ended on December 31, 2023, our fiscal year 2022 ended on January 1, 2023 and our fiscal year 2021 ended on January 2, 2022.

We are a holding company of business contributed to Maxeon by SunPower Corporation (SunPower”) in connection with the spin-off (the “Spin-off”), which was completed on the Distribution Date. The Spin-off was completed by way of a pro rata distribution of all of the then-issued and outstanding ordinary shares of Maxeon to holders of record of SunPower’s common stock as of the close of business on August 17, 2020. As of the Distribution Date, Maxeon became an independent, public company and the Maxeon shares commenced trading on the NASDAQ Global Select Market (“NASDAQ” or “Nasdaq”) under the symbol “MAXN”.

MAXEON is a registered trademark of Maxeon Solar Technologies, Ltd. Visit <https://corp.maxeon.com/trademarks> for more information.

## USE OF CERTAIN TERMS

In this annual report, “we,” “us,” “our” and “Maxeon” shall refer to Maxeon Solar Technologies, Ltd. as the context may require.

**Unit of Power** When referring to our solar power systems, our facilities’ manufacturing capacity and total sales in this Form 20-F, the unit of electricity in watts for kilowatts (“KW”), megawatts (“MW”) and gigawatts (“GW”) is direct current (“DC”), unless otherwise noted as alternating current (“AC”).

### **Levelized Cost of Energy (“LCOE”)**

LCOE is an evaluation of the life-cycle energy cost and life-cycle energy production of an energy producing system. It allows alternative technologies to be compared across different scales of operation, investment or operating time periods. It captures capital costs and ongoing system-related costs, along with the amount of electricity produced, and converts them into a common metric. Key drivers for LCOE measures for photovoltaic products include panel efficiency, capacity factors, reliable system performance, and the life of the system.

### **Customer Cost of Energy (“CCOE”)**

Our customers are focused on reducing their overall cost of energy by intelligently integrating solar and distributed generation (which we refer to as “DG”) sources, energy efficiency, energy management, and energy storage systems with their existing utility-provided energy. The CCOE measurement is an evaluation of a customer’s overall cost of energy, taking into account the cost impact of each individual generation source (including the utility), energy storage systems, and energy management systems. The CCOE measurement includes capital costs and ongoing operating costs, along with the amount of electricity produced, stored, saved, or re-sold, and converts all of these variables into a common metric. The CCOE metric allows customers to compare different portfolios of generation sources, energy storage, and energy management, and to tailor their solution towards optimization.

## MARKET INFORMATION

This Annual Report on Form 20-F (this “Form 20-F”) contains certain industry and market data that were obtained from third-party sources, such as industry surveys and industry publications, including, but not limited to, publications by *Wood MacKenzie*, *Bloomberg New Energy Finance (BNEF)*, *S&P Global* and *PV Evolution Labs*. This Form 20-F also contains other industry and market data, including market sizing estimates, growth and other projections and information regarding our competitive position, prepared by our management on the basis of such industry sources and our management’s knowledge of and experience in the industry and markets in which we operate (including management’s estimates and assumptions relating to such industry and markets based on that knowledge). Our management has developed its knowledge of such industry and markets through its experience and participation in these markets.

In addition, industry surveys and industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that any projections they contain are based on a number of significant assumptions. Forecasts, projections and other forward-looking information obtained from these sources involve risks and uncertainties and are subject to change based on various factors, including those discussed in the section “Special Note About Forward-Looking Statements” below. You should not place undue reliance on these statements.

### SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

Certain statements relating to Maxeon in this Form 20-F or documents incorporated by reference constitute 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”), including, but not limited to, statements regarding: (a) our ability to meet short-term and long-term material cash requirements, our ability to complete an equity or debt offering or financing at favorable terms, if at all, our overall liquidity, substantial indebtedness and ability to refinance such debt and our ability to continue as a going concern; (b) our expectations regarding product pricing trends, demand and growth projections; (c) potential disruptions to our operations and supply chain that may result from epidemics, natural disasters or military conflicts, including the duration, scope and impact on the demand for our products, market disruptions from the war in Ukraine and the Israel-Hamas-Iran conflict; (d) anticipated product launch timing and our expectations regarding ramp, customer acceptance and demand, upsell and expansion opportunities; (e) our expectations and plans for short- and long-term strategy, including our anticipated areas of focus and investment, market expansion, product and technology focus, implementation of restructuring plans and projected growth and profitability; (f) our technology outlook, including anticipated fab capacity expansion and utilization and expected ramp and production timelines for the Company’s next-generation Maxeon 7 and Performance line solar panels, expected cost reductions, and future performance; (g) our strategic goals and plans, including capacity expansion, partnership discussions with respect to the Company’s next-generation technology, and our relationship with our 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 and feedback from our partners; and (i) 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.

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) our liquidity, substantial indebtedness, terms and conditions upon which our indebtedness is incurred, and ability to obtain additional financing for our projects, customers and operations; (3) our ability to manage supply chain shortages and/or excess inventory and cost increases and operating expenses; (4) potential disruptions to our operations and supply chain that may result from damage or destruction of facilities operated by our suppliers, difficulties in hiring or retaining key personnel, epidemics, natural disasters, including impacts of the war in Ukraine

and the Israel-Hamas-Iran conflict; (5) our ability to manage our key customers and suppliers, including the impact of the termination of the supply agreements with one of the Company's biggest customers, SunPower Corporation; (6) 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; (7) competition in the solar and general energy industry and downward pressure on selling prices and wholesale energy pricing, including impacts of inflation, economic recession and foreign exchange rates upon customer demand; (8) changes in regulation and public policy, including the imposition and applicability of tariffs; (9) our ability to comply with various tax holiday requirements as well as regulatory changes or findings affecting the availability of economic incentives promoting use of solar energy and availability of tax incentives or imposition of tax duties; (10) fluctuations in our operating results and in the foreign currencies in which we operate; (11) appropriately sizing, or delays in expanding our manufacturing capacity and containing manufacturing and logistics difficulties that could arise; (12) unanticipated impact to customer demand and sales schedules due, among other factors, to the war in Ukraine and the Israel-Hamas-Iran conflict, economic recession and environmental disasters; (13) challenges managing our acquisitions, joint ventures and partnerships, including our ability to successfully manage acquired assets and supplier relationships; (14) reaction by securities or industry analysts to our annual and/or quarterly guidance, in combination with our results of operations or other factors, and/ or third party reports or publications, whether accurate or not, which may cause such securities or industry analysts to cease publishing research or reports about us, or adversely change their recommendations regarding our ordinary shares, which may negatively impact the market price of our ordinary shares and volume of our stock trading; and (15) unpredictable outcomes resulting from our litigation activities, including enforcement of certain intellectual property rights, or other disputes. Forward-looking and other statements in this report may also address our corporate sustainability or responsibility progress, plans, and goals (including environmental matters), and the inclusion of such statements is not an indication that these contents are necessarily material to investors or required to be disclosed in the Company's filings with the SEC. In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

Some of these factors and other risks that affect our business are included and discussed in more detail in this Form 20-F, including under "Item 3.D. Risk Factors," "Item 4. Information on the Company," and "Item 5. Operating and Financial Review and Prospects." Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Form 20-F as anticipated, believed, estimated or expected. We provide the information in this Form 20-F as of the date of its filing. We do not intend, and do not assume any obligation, to update any information or forward-looking statements set out in this Form 20-F as a result of new information, future events or otherwise, unless as otherwise required by law.

**PART I**

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS**

**1.A. DIRECTORS AND SENIOR MANAGEMENT**

Not Applicable.

**1.B. ADVISORS**

Not Applicable.

**1.C. AUDITORS**

Not Applicable.

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not Applicable.

**ITEM 3. KEY INFORMATION**

**3.A. [RESERVED]**

**3.B. CAPITALIZATION AND INDEBTEDNESS**

Not Applicable.

**3.C. REASONS FOR THE OFFER AND USE OF PROCEEDS**

Not Applicable.

**3.D. RISK FACTORS**

*We operate in rapidly changing economic and technological environments that present numerous risks, many of which are driven by factors that we cannot control or predict. You should carefully consider the risks described in this section, together with all of the other information included in this Form 20-F, before investing in our securities. The occurrence of any of these risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition, results of operations and the price of our shares.*

**Risk Factor Summary**

*The following is a summary of the principal risks discussed in greater detail in the following pages, that could materially and adversely affect our business, financial condition and results of operations, supply chain, intellectual property, cybersecurity, and ownership of our shares:*

**Risks Related to the Maxeon Business Generally**

- If we fail to successfully reduce costs in response to downward pressure on solar panel prices, or fail to develop and introduce new and enhanced products, we may be unable to compete effectively, and our ability to generate revenues, profits and cash flows could suffer.
- The increase in the global supply of solar cells and panels, and increasing competition, has caused and may continue to cause substantial downward pressure on the prices of such products or result in increased or changing tariff policies and cause us to lose sales or market share, or to hold excess inventory, resulting in lower revenues, cash flows and impairment charges.



- Adverse global economic conditions could have a negative effect on our business, results of operations and financial condition and liquidity.
- The solar industry faces competition from other types of renewable and non-renewable power industries
- Changes in international trade policies, tariffs, or trade disputes, or the reduction, modification, or elimination of government incentives, could significantly and adversely affect our business, revenues, margins, results of operations and cash flows.
- Existing regulations and policies and changes to these regulations and policies may present technical, regulatory, and economic barriers to the purchase and use of solar power products, which may significantly reduce demand for our products.
- We may incur unexpected warranty and product liability claims that could materially and adversely affect our financial condition and results of operations, damage our market reputation, and prevent us from maintaining or increasing our market share.
- Seasonal trends and construction cycles could have an adverse effect on our business.
- We have significant global activities and customers, which subject us to additional business risks, including logistical complexity and political instability.

**Risks Related to Our Liquidity**

- We have received an unqualified opinion that included an explanatory paragraph regarding the Company's ability to continue as a going concern from our auditors as there is substantial doubt about our ability to continue as a going concern.
- We may be unable to generate sufficient cash flows or obtain access to external financing necessary to fund our operations or make necessary capital expenditures due to, among other factors, increasing competition from increased global supply of solar cells and panels which leads to downward pressure on prices, as well as the general economic environment impacted by ongoing wars or conflicts or any other geopolitical tensions.
- The existence of substantial indebtedness could adversely affect our business, financial condition, and results of operations, as well as our ability to meet our payment obligations under our debt commitments.
- A significant portion of our assets, including our intellectual property that we hold outside of the United States, have been pledged as collateral.
- We may be unable to raise the funds necessary to repurchase the Green Convertible Notes (as defined under "Note 11. Debt and Credit Sources.") or the 2027 Notes (as defined under "Note 4. TCL Zhonghuan Renewal Energy Technology Co." to our consolidated financial statements, and together with the Green Convertible Notes, the "Notes"), as applicable, for cash following a fundamental change or pursuant to a mandatory redemption, or to pay any cash amounts due upon conversion.
- We may be classified as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), which could result in Maxeon being subject to U.S. federal income tax indefinitely.
- Failure to meet hiring, capital spending and other requirements to utilize tax incentives provided to us in Malaysia and the Philippines, or to avail ourselves of tax incentives or negotiate new incentives in existing or other jurisdictions, could adversely affect our results.

**Risks Related to Our Supply Chain**

- We will continue to be dependent on a limited number of third-party suppliers, and in some cases, sole suppliers, for certain raw materials, capital equipment and components for our products, and increases in costs, could prevent us from delivering our products to our customers within required timeframes and could in turn result in sales and installation delays, cancellations, penalty payments, and loss of market share.

**Risks Related to Our Operations**

- We have significant global activities and customers, which subject us to additional business risks, including logistical complexity and political instability.
- If we do not achieve satisfactory yields or quality in manufacturing our solar products, our sales could decrease and our relationships with our customers and our reputation may be harmed.
- Fluctuations in foreign currency exchange rates and interest rates could materially and adversely affect our business and results of operations.

- We may be unable to successfully implement price increases to offset inflation and, as a result, our businesses and financial position and results of operations could be adversely affected.
- Our manufacturing facilities, as well as the facilities of certain subcontractors and suppliers, are located in regions that are subject to epidemic or pandemic events, earthquakes, floods, and other natural disasters, and climate change and climate change regulation that could have an adverse effect on our operations and financial results.
- We have agreed to terminate the supply agreements with one of our main customers, and our financial results have and will continue to materially suffer as a result.
- Fluctuations in the demand for our products have caused and in the future may continue to cause impairment of long-lived assets or cause us to write off equipment or inventory or the premature termination of certain contracts, and each of these events could materially and adversely affect our financial results.
- We depend on Huansheng Photovoltaic (Jiangsu) Co., Ltd (“HSPV”) and its affiliates for a portion of our Performance line solar panels and any failure to obtain sufficient volume or competitive pricing could significantly impact our revenues, ability to grow, and damage our customer relationships.
- While we believe we currently have effective internal control over financial reporting, we may identify a material weakness in our internal control over financial reporting that could cause investors to lose confidence in the reliability of our financial statements and result in a decrease in the value of our shares.

**Risks Related to Our Intellectual Property and Cybersecurity**

- We may face intellectual property infringement claims that could be time-consuming and costly to defend and could result in significant losses or the ability to make, use or sell our products.
- We depend on our intellectual property, and we may not obtain sufficient patent protection on the technology embodied in the solar products we currently or plan to manufacture and market, which could harm our competitive position and increase our expenses.
- We have announced an investigation into claims, and have filed and may file future claims, against other parties for infringing our intellectual property that may be very costly and may not be resolved in our favor.
- We may be subject to cybersecurity breaches of information technology systems utilized by us or our suppliers, vendors, customers and other third parties with whom we conduct business, which could impact our business or our business data, lead to disclosure of our internal information, damage our reputation or relationships with customers, disrupt access to our online services, and impact our operations. Such breaches could subject us to significant reputational, financial, legal, and operational consequences.

**Risks Related to the Ownership of Our Shares**

- Significant ownership of our shares by TCL Zhonghuan Renewable Energy Technology Co. Ltd., a joint stock limited company (“TZE”) incorporated under the laws of the Peoples Republic of China (“PRC”) and Total Energies (as defined in “Note 3. Transactions with SunPower and TotalEnergies”) may adversely affect the liquidity and value of our shares.
- If a substantial number of Maxeon shares become available for sale and are sold in a short period of time, the market price for our shares could experience volatility and/or decline.
- The effect of the Physical Delivery Forward (as defined under “Note 11. Debt and Credit Sources” to our consolidated financial statements) and Prepaid Forward (as defined under “Item 5.B. Liquidity and Capital Resources – Current Sources of Liquidity and Capital Resources”), which were entered into in connection with the issuance of our Green Convertible Notes, may affect the value of Maxeon shares and may result in unexpected market activity in Maxeon shares.
- We may issue additional Maxeon shares, other equity or equity-linked or debt securities, which may materially and adversely affect the price of the Maxeon shares.
- Securities analysts may not publish favorable research or reports about our business or may publish no information at all, which could cause our stock price or trading volume to decline.
- As a foreign private issuer, we are permitted to, and follow certain home country corporate governance requirements in lieu of certain NASDAQ requirements applicable to domestic issuers.
- Our insurance for certain indemnity obligations we have to our officers and directors may be inadequate, and potential claims could materially and negatively impact our financial condition and results of operations.

## Related to the Maxeon Business Generally

*If we fail to develop and introduce new and enhanced products or expand manufacturing capacity to maintain our current price structure, or fail to successfully reduce costs, we may be unable to compete effectively, and our ability to generate revenues, profits and cash flows could suffer.*

Our solar panels are competitive in the market as compared with lower cost conventional solar cells, such as thin-film, due to our products' higher efficiency, among other things. A principal component of our business strategy is reducing costs to manufacture our products competitively and profitably. If our competitors are able to drive down their manufacturing costs or increase the efficiency of their products faster than we can, or if competitor products are exempted from tariffs and quotas and ours are not or if they benefit from lower tariffs and quotas than us, our products may become less competitive even when adjusted for efficiency. In 2023, while we are in the process of preparing for the market introduction of our next generation Maxeon 7 products, competitor products became available in the solar power market that performed close to the efficiency levels of our current products which negatively impacted demand for these currently offered products. Further, if raw materials costs and other third-party component costs increase, we may not meet our cost reduction targets. If we cannot effectively manage our costs, our competitive position could suffer, we could lose sales and/or market share, and our margins could be adversely affected.

The solar power market is characterized by continually changing technology and improving features, such as increased efficiency, higher power output and enhanced aesthetics. Technologies developed by our direct competitors, including thin-film solar panels and other solar technologies, may provide energy at lower costs than our products. We also face competition in some markets from other energy generation sources, including conventional fossil fuels, wind, biomass, and hydro. In addition, we compete with traditional utilities that supply energy to our potential customers. Such utilities have greater financial, technical, operational and other resources than we do, as well as existing infrastructure to energy distribution. If electricity rates decrease and our products become less competitive by comparison, our operating results and financial condition could be adversely affected.

Failure to further refine our technology, reduce costs in our manufacturing process, and develop and introduce new solar power products could cause our products or our manufacturing facilities to become less competitive or obsolete, which could reduce our market share, cause our sales to decline, and cause the impairment of our assets. We are required to continually develop new solar power products and enhancements for existing solar power products to keep pace with evolving industry standards, competitive pricing and changing customer preferences, expectations, and requirements. It is difficult to successfully predict the products our customers will demand. If we cannot continually improve the efficiency and prove the reliability of our solar panels as compared with those of our competitors, our pricing will become less competitive, we could lose market share, and our margins would be adversely affected.

As we introduce new or enhanced products or integrate new technology and components into our products or expand our manufacturing capacity, we will face risks relating to new product launches and transitioning to new technologies and / or execution of our expansion plans including, among other things, the incurrence of high fixed costs, competition for equipment, technical challenges which may result in delivery delays, acceptance of products by our customers, disruption in customers' ordering patterns, insufficient supplies of new products to meet customers' demand, possible product and technology defects arising from the integration of new technology and a potentially different sales and support environment relating to any new technology. For example, our Performance line manufacturing operations in Mexicali, Mexico and Malaysia are primarily intended to supply large-scale commercial and utility-scale power plant customers in the United States market, and to the extent we fail to achieve our projected production volumes, we may suffer significant liquidated damages for the volumes we have contractually committed, face additional risks resulting from our failure to meet customers' demand and significantly impair our plans for entering the large-scale commercial and utility-scale power plant markets in the United States and our plans for growth in that market. Our failure to manage the transition to newer products or the integration of newer technology and components into our products could adversely affect our business's operating results, financial condition and cash flows.

***The increase in the global supply of solar cells and panels, and increasing competition, has caused and may continue to cause substantial downward pressure on the prices of such products or result in increased or changing tariff policies and cause us to lose sales or market share, or to hold excess inventory, resulting in lower revenues, cash flows and may lead to impairment charges.***

Global solar cell and panel production capacity and supply have been materially increasing, and solar cell and solar panel manufacturers currently have excess capacity, relative to global demand, particularly in China. The solar industry has experienced and may continue to experience periods of structural imbalance between supply and demand, and that such periods result in unpredictability (i.e. pressure on pricing or imbalanced supply due to governmental policies). Excess capacity and industry competition have resulted in the past, including in 2023, and may continue to result, in excess supply and/or substantial downward pressure on the price of solar cells and panels, including our products. More recently, there has been additional pressure on global demand as a consequence of the excess supply and decreasing average selling prices resulting from fluctuating supply and demand in certain solar markets, as well as increasing supply chain costs. Intensifying competition has and could continue to cause us to lose sales or market share or hold excess inventories. The excess of global supply coupled with the decline in demand in light of a global economic slowdown caused by events such as an economic recession, high interest rates and the associated decrease in consumer spending, has resulted and may continue to result in a global price reduction, such as the global price reduction that accelerated in the second half of 2023. Fluctuations in supply and demand caused by governmental policies such as the “dual control of energy consumption policy of China” and “compulsory consumption of green energy by high energy-consuming enterprises policy in China”, as well as other increased supply chain costs, may result in a global increase in the price of certain supply commodities, similar to what occurred in 2021. See “*Risk Factors – Risks Related to our Supply Chain - We will continue to be dependent on a limited number of third-party suppliers for certain raw materials and components for our products, and increases in the costs for raw materials and components required for our solar products could prevent us from delivering our products to our customers within required timeframes and could in turn result in sales and installation delays, cancellations, penalty payments, and loss of market share.*” Such price fluctuations and impacts on demand are difficult to plan for and could have a negative impact on the amount of inventory which we hold, our revenue and earnings, and could materially adversely affect our business, financial condition and cash flows. In addition, in such a market environment, internal pricing forecasts can be challenging to estimate and ultimately inaccurate, which has caused and in the future could cause our financial results to be different than forecasted. Uncertainty with respect to United States, PRC, European and other government policies, including trade tariffs, subsidies or other incentives for solar projects, may continue to cause increased, decreased, or volatile supply and/or demand for solar products, which in turn will negatively impact our revenue and earnings. See “*Risk Factors – Risks Related to the Maxeon Business Generally - Changes in international trade policies, tariffs, or trade disputes could significantly and adversely affect our business, revenues, margins, results of operations and cash flows.*”

***Adverse global economic conditions could have a negative effect on our business, results of operations and financial condition and liquidity.***

A general slowdown in the global economy, including a recession, due to inflation, geopolitics, major central bank policy actions including interest rate increases, public health crises, or other factors, or a tightening of the credit markets, could negatively impact our business, financial condition and liquidity. As credit markets become more challenging, customers may be unable or unwilling to obtain financing for the cost of our products, and the parties that have historically provided this financing may cease to do so, or only do so on terms that are substantially less favorable for our customers, any of which could materially and adversely affect sales of our products and our revenue and growth of our business. See “*Risk Factors – Risks Related to Our Operations - Fluctuations in foreign currency exchange rates and interest rates could materially and adversely affect our business and results of operations.*” as well as “*Risk Factors – Risks Related to Our Operations - We may be unable to successfully implement price increases to offset inflation and, as a result, our businesses and financial position and results of operations could be adversely affected.*” Cancellations or rescheduling of customer orders could result in the delay or loss of anticipated sales without allowing us sufficient time to reduce, or delay the incurrence of, our corresponding inventory and operating expenses. In addition, changes in forecasts or the timing of orders from these or other customers expose us to the risks of inventory shortages or excess inventory. Adverse global economic conditions have from time to time caused or exacerbated significant slowdowns in the industries and markets in which we operate, which may adversely affect our business and results of operations. Macroeconomic weakness and

uncertainty also make it more difficult for us to accurately forecast revenue, gross margin and expenses, and may make it more difficult to raise or refinance external financing to fund our operations and capital expenditures.

***The solar industry faces competition from other types of renewable and non-renewable power industries.***

The solar industry faces competition from other renewable energy companies and non-renewable power industries, including nuclear energy and fossil fuels such as coal, petroleum and natural gas. Technological innovations in these other forms of energy may reduce their costs or increase their safety. Large-scale new deposits of fossil fuel may be discovered, which could reduce their costs. Local governments may decide to strengthen their support for other renewable energy sources, such as wind, hydro, biomass, geothermal and ocean power, and reduce their support for the solar industry. The inability to compete successfully against producers of other forms of power would reduce our market share and negatively affect our results of operations.

***Changes in international trade policies, tariffs, or trade disputes could significantly and adversely affect our business, revenues, margins, results of operations and cash flows.***

Developments in international trade have the potential to adversely impact our business:

***Safeguard measure.*** The United States has imposed a safeguard measure on imported solar cells, laminates and modules since February 7, 2018. On February 4, 2022, this safeguard measure was extended for four additional years pursuant to Proclamation 10339, based on recommendations by the U.S. International Trade Commission to continue providing relief to U.S. manufacturers. Modules were subjected to a tariff of 14.75% during the first year of the extension (which ran from February 7, 2022 to February 6, 2023), and the tariff rate declined by 0.25% in 2023 and will decline by the same rate in two subsequent years, to a final tariff rate of 14%. Cells are subject to a tariff-rate quota, under which the first 5 GW of cell imports each year are exempt from tariffs; cells imported in excess of the 5 GW quota are subject to the same 14.75% tariff as modules in the first year, with the same 0.25% decline in each of the three subsequent years.

Bifacial modules were initially subject to the safeguard measure, then excluded, then re-covered, then re-excluded pursuant to a November 2021 U.S. Court of International Trade decision. Proclamation 10339 definitively excluded bifacial panels from the safeguard measure with effect from February 7, 2022; that exclusion remains in effect today but is expected to be removed by the President of the U.S. with the result that bifacial modules would face tariffs for some or all of the measure's remaining 20 months. Proclamation 10339 also directed the Office of the U.S. Trade Representative ("USTR") to negotiate with Mexico and Canada with a view to exempting them; negotiations have concluded successfully with Canada but have not yet produced a result for Mexico.

For our Performance line, the shipments from Mexico that we are currently making and importing to the United States are bifacial panels and excluded as a result of Proclamation 10339. If the safeguard measure's coverage of bifacial modules is restored and Mexico does not receive a country exclusion, our Performance line shipments from Mexico will face safeguard tariffs until February 2026. Importation of mono-facial Performance line modules assembled in Mexico, until February 2026, would also be subject to the safeguard measure unless and until Mexico is exempted. Solar cells and modules based on our interdigitated back contact ("IBC") technology, like our Maxeon 2, Maxeon 3, Maxeon 5, Maxeon 6 and related products, have enjoyed an exclusion from the safeguard measure since September 2018 and remain exempt.

***Anti-Circumvention Inquiry.*** In February 2022, U.S. module producer Auxin Solar filed an "anti-circumvention" petition asking the U.S. Department of Commerce ("Commerce") to expand the coverage of the longstanding U.S. antidumping and countervailing duty orders on Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules, from China ("China AD/CVD Orders"). Specifically, Auxin's petition (1) alleged that PV cell and module production in Cambodia, Malaysia, Thailand, and Vietnam is circumventing the China AD/CVD Orders through minor alteration of PRC-origin inputs including silicon wafers, and (2) asked Commerce to bring cells and modules imported from those countries within the scope of the China AD/CVD Orders. Commerce initiated an anti-circumvention inquiry ("ACI") in April 2022 and published an affirmative preliminary determination on December 8, 2022. However, on December 19, 2022, Commerce issued a memorandum clarifying that modules assembled in (and exported to the United States from) third countries, from cells fabricated in Cambodia, Malaysia, Thailand, or Vietnam, are not covered by the preliminary determination and indeed are not "inquiry merchandise" for purposes of the ACI. Accordingly, Maxeon's modules assembled in Mexico are unaffected by the ACI.

*Section 301 Tariffs.* In 2017, the USTR initiated an investigation under Section 301 of the Trade Act of 1974 into the PRC government's acts, policies and practices related to technology transfer, intellectual property and innovation. Starting in 2018, the USTR has imposed additional import duties of up to 25% on certain PRC products. Relevant affected products include certain solar power system components and finished products, including those purchased from our suppliers for use in our products and used in our business. The United States and China may continue or even escalate the retaliatory measures implemented during the last six years, and no effort is currently underway to negotiate an agreement that would serve as a basis for rolling back those measures. A statutorily-required review of the Section 301 tariffs recently concluded with an announcement by USTR that the vast majority of the tariffs would remain in place; tariff rates were even raised on some items including solar cells and modules originating in China. The USTR also announced, however, that Section 301 tariffs on the main categories of production equipment needed for U.S. cell-making and module assembly facilities would be paused for 12 months up through May 2025.

*New Anti-dumping and Countervailing Duty Cases Focusing on Southeast Asia.* On April 24, 2024, a group of domestic producers filed petitions seeking imposition of antidumping and countervailing duties on imports of CSPV cells, whether or not assembled into modules, from Cambodia, Malaysia, Thailand and Vietnam. The U.S. Department of Commerce formally initiated investigations on May 14, 2024, and a preliminary injury determination from the U.S. International Trade Commission is expected by June 7, 2024. Assuming the investigations go forward based on the scope (product coverage) set out in the petitions, Maxeon's modules assembled in Mexico from cells fabricated in Malaysia would in principle be subject to any resulting cash deposit requirements and eventual definitive duties.

Any future imposition of U.S. tariffs that would apply to our Performance line or Maxeon line modules imported from Mexico could materially and adversely affect our business and results of operations. More broadly, uncertainty surrounding the implications of existing tariffs affecting the U.S. solar market, trade tensions between China and the United States, changes to international trade policies and other trade and national security regulatory actions could cause market volatility, price fluctuations, supply shortages, and project delays, any of which could harm our business, and our pursuit of mitigating actions may divert substantial resources from other projects. In addition, the imposition of additional tariffs or trade controls could result in a wide range of impacts to the global solar industry and manufacturing market, as well as our business in particular. Such tariffs or trade controls could materially increase the price of our solar products and result in significant additional costs to us, our resellers, and our resellers' customers, which could cause a significant reduction in demand for our solar power products and adversely affect our competitive position. With the uncertainties associated with the tariffs and Section 301 trade case, events and changes in circumstances have indicated that the carrying values of our long-lived assets associated with our manufacturing operations might not be recoverable.

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Our plans to expand into domestic manufacturing in the United States depend on several factors which are beyond our control, including our Department of Energy ("DOE") loan guarantee application which is currently in the due diligence review stage. There is no assurance that we will be successful in obtaining a loan guarantee from the DOE, or that our efforts to develop a manufacturing facility in the United States will be successful. Additionally, various items that Maxeon might need to import in order to equip and operate manufacturing facilities in the United States could encounter trade restrictions or unusual tariffs above and beyond ordinary customs duties. These could result from measures already in place, such as the China/Section 301 tariffs, or from entirely new legislation or newly launched import relief proceedings. If we do not successfully expand into domestic manufacturing into the

United States, we will continue to be subject to tariffs or trade controls affecting the U.S. solar market on imports into the United States, which could materially increase the price of our solar products and adversely affect our competitive position.

***The reduction, modification or elimination of government incentives could cause our revenue to decline and harm our financial results.***

The market for on-grid applications, where solar power is used to supplement a customer's electricity purchased from the utility network or sold to a utility under tariff, depends in large part on the availability and size of government mandates and economic incentives because, at present, the cost of solar power generally exceeds retail electric rates in many locations and wholesale peak power rates in some locations. Incentives and mandates vary by geographic market. Various government bodies in most of the countries where we do business have provided incentives in the form of feed-in tariffs, rebates, and tax credits and other incentives and mandates, such as renewable portfolio standards and net metering, to end-users, distributors, system integrators and manufacturers of solar power products to promote the use of solar energy in on-grid applications and to reduce dependency on other forms of energy. For example, on August 16, 2022, the Inflation Reduction Act of 2022 (the "IRA") was signed into law. The IRA consists of several provisions which aims at improving the climate change crisis, among other things, the IRA appropriates approximately \$11.7 billion in total for the Loan Programs Office ("LPO") to support its existing loan programs and add a new loan program, the Energy Infrastructure Reinvestment Program (section 1706). In addition, the IRA made a 10-year extension of the Investment Tax Credit, allowing a 30% tax exemption of the cost of installed equipment which was instrumental in launching the US solar industry. These various forms of support for solar power are subject to change and are expected in the longer term to decline. Even changes that may be viewed as positive can have negative effects if they result, for example, in delaying purchases that otherwise might have been made before expiration or scheduled reductions in such credits. Governmental decisions regarding the provision of economic incentives often depend on political and economic factors that we cannot predict and that are beyond our control. The reduction, modification or elimination of grid access, government mandates or economic incentives in one or more of our customer markets could materially and adversely affect the growth of such markets or result in increased price competition, either of which could cause our revenue to decline and materially adversely affect our financial results.

***Existing regulations and policies and changes to these regulations and policies may present technical, regulatory, and economic barriers to the purchase and use of solar power products, which may significantly reduce demand for our products.***

The market for electric generation products is heavily influenced by government laws, regulations and policies concerning the electric utility industry globally, as well as policies promulgated by electric utilities. These regulations and policies often relate to electricity pricing and technical interconnection of customer-owned electricity generation, and changes that make solar power less competitive with other power sources could deter investment in the research and development of alternative energy sources, which could in turn result in a significant reduction in the demand for our solar power products. The market for electric generation equipment is also influenced by trade and local content laws, regulations and policies that can discourage growth and competition in the solar industry and create economic barriers to the purchase of solar power products, thus reducing demand for our solar products. In addition, on-grid applications depend on access to the grid, which is also regulated by government entities. We anticipate that our solar power products and their installation will continue to be subject to oversight and regulation in accordance with regulations relating to construction, safety, environmental protection, utility interconnection and metering, trade, and related matters. It is difficult to track the requirements of local jurisdictions and design equipment to comply with the varying standards. For instance, all states in the U.S. regulate investor-owned utility retail electricity pricing. In addition, there are numerous publicly owned utilities and electric cooperatives that establish their own retail electricity pricing through some form of regulation or internal process. These regulations and policies could deter potential customers from purchasing solar power products. Such rate changes can include changing rates to charge lower volume-based rates—the rates charged for KW hours of electricity purchased by a residential customer—while raising unavoidable fixed charges that a homeowner is subject to when they purchase solar energy from third parties, and levying charges on homeowners based on their point of maximum demand during a month (referred to as "demand charge"). These forms of rate design could adversely impact our business by reducing the value of the electricity our solar energy systems produce compared to retail net metering, and reducing any savings customers realize by purchasing our solar power products. The state of California in the U.S. updated its solar net metering policy in April 2023 and the changes have reduced the savings realized from the export of excess solar energy to the grid which has negatively impacted demand for our solar power products in California. In addition to changes in general rates charged to all residential customers, utilities are increasingly seeking solar-specific charges (which may be fixed charges, capacity-based charges, or other rate

charges). Any of these changes could materially reduce the demand for our offerings in the U.S. and could limit the number of markets in which our offerings are competitive with electricity provided by the utilities.

In addition, the U.S., European Union and PRC governments, among others, have imposed tariffs or are in the process of evaluating the imposition of tariffs on solar panels, solar cells, polysilicon, and potentially other components. These and any other tariffs or similar taxes or duties may increase the price of our solar products and adversely affect our efforts to reduce costs, which could harm our results of operations and financial condition. Any new regulations or policies pertaining to our solar power products may result in significant additional expenses to us, our resellers and our resellers' customers, which could cause a significant reduction in demand for our solar power products.

***We may incur unexpected warranty and product liability claims that could materially and adversely affect our financial condition and results of operations, damage our market reputation, and prevent us from maintaining or increasing our market share.***

Our standard product warranty for our solar panels and their components includes a 25-year warranty period for defects in materials and for greater than promised declines in power performance. We also provide a 40-year warranty period for certain Maxeon line modules in certain regions, effective for systems installed on or after January 1, 2022. We believe our warranty offering is in line with, or better than, industry practice. These long warranty periods create a risk of extensive warranty claims long after we have shipped product and recognized revenue. We perform accelerated life cycle testing that exposes our products to extreme stress and climate conditions in both environmental simulation chambers and in actual field deployments in order to highlight potential failures that could occur over the 25-year and 40-year warranty periods. We also employ measurement tools and algorithms intended to help us assess actual and expected performance; these attempt to compare actual performance against an expected performance baseline that is intended to account for many factors (like weather) that can affect performance. Although we conduct accelerated testing of our solar panels and components, they have not and cannot be tested in an environment that exactly simulate the 25-year and 40-year warranty periods and it is difficult to test for all conditions that may occur in the field. Further, there can be no assurance that our efforts to accurately measure and predict panel and component performance will be successful. We have sold products under our warranties since the early 2000s and have therefore not experienced the full warranty cycle. As a result of these warranty programs, we bear the risk of product warranty claims long after we have sold our solar modules and recognized revenue from sales.

We maintain reserves to cover the expected costs that could result from these warranties. Increases in the defect rate of our products could cause us to increase the amount of warranty reserves and have a corresponding material and adverse impact on our results of operations. Further, potential future product failures could cause us to incur substantial expense to repair or replace defective products, and we have agreed in some circumstances to indemnify our customers and our distributors against liability from some defects in our solar products. A successful indemnification claim against us could require us to make significant damage payments. Repair and replacement costs, as well as successful indemnification claims, could materially and adversely impact our financial condition and results of operations.

Like other retailers, distributors, and manufacturers of products that are used by customers, we face an inherent risk of exposure to product liability claims in the event that the use of the solar power products into which our solar cells and panels are incorporated results in injury, property damage, or other damages. We may be subject to warranty and product liability claims in the event that our solar power systems fail to perform as expected or if a failure of our solar power systems or any component thereof results, or is alleged to result, in bodily injury, property damage or other damages. Since our solar power products are electricity-producing devices, it is possible that our systems could result in injury, whether by product malfunctions, defects, or other causes. In addition, since we only began selling our solar cells and solar panels in the early 2000s and the products we are developing incorporate new technologies, we cannot predict the extent to which product liability claims may be brought against us in the future or the effect of any resulting negative publicity on our business. Moreover, we may not have adequate resources, such reserves or insurance, to satisfy a successful claim against us. A successful warranty or product liability claim against us that is not covered by insurance or is in excess of our available insurance limits could require us to make significant payments of damages. In addition, quality issues can have various other ramifications, including delays in



the recognition of revenue, loss of revenue, loss of future sales opportunities, increased costs associated with repairing or replacing products, product recalls and a negative impact on our goodwill and reputation, any of which could adversely affect our business, operating results and financial condition.

***Our business could be adversely affected by seasonal trends and construction cycles.***

Our business is subject to significant industry-specific seasonal fluctuations. There are various reasons for this seasonality, mostly related to economic incentives and weather patterns. For example, in European countries with feed-in tariffs, the construction of solar power systems may be concentrated during the second half of the calendar year, largely due to the annual reduction of the applicable minimum feed-in tariff and the fact that the coldest winter months in the Northern Hemisphere are January through March, which could lead to declining sales in cold-weather months.

***We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability due to ongoing wars and international conflicts and our business, financial condition and results of operations may be materially adversely affected as a result.***

U.S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and ongoing war in Ukraine and the Israel-Hamas-Iran conflict and rising tensions between China and Taiwan and the relationship between China and the United States, or other geopolitical uncertainty and instability. The length and impact of these ongoing military conflicts is highly unpredictable. Such geopolitical events, terrorist or other attacks, and war (or threatened war) or international hostilities, may lead to armed conflict or acts of terrorism in other parts of the world, which in turn may contribute to further economic instability in the global financial markets and international commerce. The war in Ukraine and the Israel-Hamas-Iran conflict may lead to further regional and international conflicts or armed action. The conflict in Ukraine has disrupted supply chains, caused instability in the energy markets and could lead to further market disruptions, including significant volatility in commodity prices, credit and capital markets on a global scale. The war in Ukraine and the Israel-Hamas-Iran conflict continue to cause considerable humanitarian suffering and the continued uncertainty surrounding the outcome of these conflicts may cause a humanitarian crisis and instability in other parts of the world. The United States and the European Union, among other countries, have imposed sanctions against Russia, including sanctions targeting the Russian oil sector, including a prohibition on the import of oil from Russia to the United States. The ongoing war could result in the imposition of further economic sanctions by the United States and the European Union against Russia, with uncertain impacts on the global economy. While much uncertainty remains regarding the global impacts of the war in Ukraine and the Israel-Hamas-Iran conflict, it is possible that such tensions could adversely affect our business, financial condition, results of operation and cash flows. Furthermore, it is possible that third parties, such as our customers and suppliers may be impacted by these conflicts, which could adversely affect our operations. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us or at all.

**Risks Related to Our Liquidity**

***We have received an unqualified opinion that included an explanatory paragraph regarding the Company's ability to continue as a going concern from our auditors.***

We have received an unqualified opinion that included an explanatory paragraph on "going concern" from our independent registered public accounting firm, reflecting substantial doubt about our ability to continue as a going concern. Our consolidated financial statements contemplate that we will continue as a going concern and do not contain any adjustments that might result if we were unable to continue as a going concern. Our ability to continue as a going concern is dependent upon our ability to raise additional capital and implement our business plan. If we are unable to achieve or sustain profitability or to secure additional financing on acceptable terms, we may not be able to meet our obligations as they come due, raising substantial doubts as to our ability to continue as a going concern. In addition, if we are unsuccessful in raising sufficient capital to support our operations, we may be unable to pay our suppliers and other service providers on time, or at all. If any of our key suppliers and service providers were to cease working with us or subject the delivery of products to timing or payment preconditions, our business activities may be adversely affected, which could have a material adverse effect on our business and operations. Further, the perception that we may not be able to continue as a going concern may cause others to choose not to deal with us due to concerns about our ability to meet our contractual obligations.

Any such inability to continue as a going concern may result in our stockholders losing their entire investment. There is no guarantee that we will become profitable or secure additional financing on acceptable terms.

***Our cash flows have been, and may continue to be, negatively impacted by lower revenue as a result of increasing price competition, loss of a significant customer, as well as the general economic environment, cumulatively resulting in lower margins, among other implications.***

During the fiscal year 2023 and continuing through the date hereof, we have seen unfavorable impacts on our working capital requirements due to lower demand for our product and downward pressure in prices, that can be attributed in part to the volatility and disruption caused by the increasing competition as a result of the increase in the global supply of solar cells and panels, termination of our supply agreements with a significant customer, as well as the ongoing wars or conflicts in Ukraine and the Israel-Hamas-Iran conflict. See “Risk Factors – Risks Related to Our Operations - We derive a significant portion of our revenues from our largest customers and are subjected to concentration of credit risk. Any disagreements with our largest customers can impact our revenues and our long-term relationships”. The solar industry in general is volatile, which can be attributed in part to these factors. We also attribute increases in our working capital requirements to our development of new supplier relationships and the preparation and ramp up of new production capacities. As of the date of this report, there is substantial doubt regarding our ability to continue as a going concern. Our working capital needs may be greater than we currently anticipate if sales and associated receipt of cash proceeds are delayed, payment terms to vendors are shorter than anticipated, credit facilities which we rely on for short-term working capital funding are reduced, terminated or not renewed upon expiry, transit times continue to be extended, our costs of supply and logistics continue to increase or if we hold more inventory or buffer stocks or accelerate increases in our manufacturing capacity internally. Any delays in shipment routes caused by geopolitical tensions or other factors, would also lead to more inventory in transit, which may result in delays in delivering our panels on time to customers which would in turn delay the timing of when we would receive payment for our products. See “Risk Factors – Risks Related to our Supply Chain.” Such supply chain disruptions which are beyond our control have and may continue to impact our working capital commitments.

These conditions may continue or worsen, which could have a material and adverse effect on our business, results of operations and financial condition.

***We may be unable to obtain access to external financing necessary to make adequate capital expenditures necessary to improve our profitability, remain competitive and grow our business.***

To develop or scale new products, increase our manufacturing capacity, improve profitability, support future growth, achieve operating efficiencies, and maintain product quality, we must make significant capital and other investments in manufacturing technology, facilities and capital equipment, research and development, and product and process technology. Our manufacturing and assembly activities have required and will continue to require significant investment of capital and substantial engineering expenditures.

For fiscal year 2024, we have planned for capital expenditures mainly relating to the conversion of our legacy Maxeon 3 capacity in the Philippines to Maxeon 7 technology and equipment for manufacture of our Performance line products in Malaysia and Mexico. We are also investing in the development of our next generation Maxeon 8 technology, various programs to enhance our information technology infrastructure and security, preparation for our planned factory in the United States, as well as to support our Beyond the Panel offering.

We have announced plans to deploy a multi-GW factory in the United States to manufacture solar products primarily for the utility-scale power plant market. This investment plan requires significant expenditures and is contingent upon us securing the necessary financing and depends on several factors which are beyond our control, including the approval of our DOE loan guarantee application. There is no assurance that we will be successful in obtaining a final loan guarantee from the DOE. Even if the DOE loan guarantee is approved, we will still have to secure additional financing or otherwise fund these capital expenditures and there is no assurance that we will be able to do so in a timely manner, on favorable terms, or at all. Any additional debt also would need to be permissible under the terms of the indenture for our 7.5% Convertible First Lien Senior Secured Notes due 2027, which limits

our ability to incur additional indebtedness. See “—*A significant portion of our assets, including our intellectual property that we hold outside of the United States, have been pledged as collateral.*” Further, any additional debt would result in increased expenses and collateralization and likely impose new restrictive covenants. As of December 31, 2023, we had incurred \$1.5 million in fees in securing the financing and \$11.1 million of capital expenditure for this investment plan, which we will not be able to recover if we are unable to secure the necessary financing for this investment plan.

Our failure to secure additional financing would affect our ability to continue to make these planned capital expenditures, which we believe are necessary to grow our business and remain competitive, which would materially and adversely affect our business, results of operations and financial condition.

***The existence of substantial indebtedness could adversely affect our business, financial condition, and results of operations, as well as our ability to meet our payment obligations under our debt commitments.***

As of December 31, 2023, we had \$433.6 million of debt outstanding, comprised mainly of \$200.0 million outstanding under the Green Convertible Notes, \$25.0 million outstanding under the SCB Agreement and \$207.0 million under the 2027 Notes. Our debt obligations could have material consequences on our future operations, including:

- restricting our ability to raise capital on terms acceptable to us as we face liquidity challenges reflected also by the unqualified opinion that included an explanatory paragraph regarding the Company’s ability to continue as a going concern from our auditor;
- making it more difficult for us to meet our payment and other obligations under our outstanding debt;
- reducing the availability of our cash flows to fund working capital, capital expenditures and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and
- placing us at a competitive disadvantage compared with our competitors that have less debt or have lower leverage ratios.

Our ability to meet our payment and other obligations under our debt instruments depends on our ability to generate significant cash flows, which, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flows from operations, or that future borrowings will be available to us under our existing or any future debt instruments or otherwise, in an amount sufficient to enable us to meet our payment obligations under our debt obligations and to fund other liquidity needs. In fiscal year 2023, we had a net loss of \$275.7 million and there is substantial doubt regarding our ability to continue as a going concern, given that, without securing additional financing, we do not have sufficient funds to meet our working capital requirements and fund our committed and uncommitted critical capital expenditure for the next twelve months. If we are unable to generate sufficient cash flows to service our debt obligations, we may need to refinance or restructure our debt or seek to raise additional capital. There can be no assurance that we will be successful in any refinancing or debt restructuring effort.

***A significant portion of our assets, including our intellectual property that we hold outside of the United States, have been pledged as collateral.***

We have pledged a significant portion of our assets, including a significant portion of our intellectual property that we hold outside of the United States, as collateral to secure the 2027 Notes, and may pledge other assets to secure other indebtedness. The 2027 Notes’ indenture contains, and other debt instruments we may enter into may contain, covenants that limit our ability to engage in specified types of transactions. These covenants would likely limit our ability to, among other things:

- Incur certain additional indebtedness;
- Make certain investments;
- Sell or dispose of certain assets;
- Grant liens; and
- Consolidate, merge, sell or otherwise dispose of all or substantially all of our assets.

A breach of any of these covenants and certain other customary events of default, such as the failure to make principal or interest payment when due, among others, could result in the holders of the 2027 Notes or other indebtedness electing to declare all the outstanding principal amount of 2027 Notes or such other indebtedness, as the case may be, to become immediately due and payable, which could result in a material adverse effect on our financial condition. If we do not have sufficient funds to repay the amounts due under the 2027 Notes or such other indebtedness, the holders thereof may enforce on the relevant collaterals, including potentially the sale or licensing of the intellectual property that we hold outside of the United States, which will likely have a material adverse effect on our business operations and prospects. Events of default under the 2027 Notes or other indebtedness may result in, among other things, restructuring or other insolvency proceedings. In the event of such a proceeding or other reorganization of our debt, our creditors would have priority over our stockholders, and the value of our shares could be eliminated.

***We may be unable to raise the funds necessary to repurchase the Notes, as applicable, for cash following a fundamental change or pursuant to a mandatory redemption, or to pay any cash amounts due upon conversion.***

Holders of our Notes may require us to repurchase their Green Convertible Notes or 2027 Notes, as applicable, following a Fundamental Change (as such term is defined in the indentures governing the Green Convertible Notes or 2027 Notes, as applicable) at a cash repurchase price generally equal to the principal amount of the Green Convertible Notes or 2027 Notes, as applicable to be repurchased, plus accrued and unpaid interest, if any. Furthermore, upon conversion of any Green Convertible Notes or 2027 Notes, as applicable, we will satisfy part or all of our conversion obligation in cash unless we elect to settle conversions solely in Maxeon shares. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase or redeem the Green Convertible Notes or 2027 Notes, as applicable, or pay the cash amounts due upon conversion. Our ability to obtain financing may also be limited by the unqualified opinion that included an explanatory paragraph regarding the Company's ability to continue as a "going concern" which we received from our independent registered public accounting firm. See "*Risk factors - Risks Related to Our Liquidity - We have received an unqualified opinion that included an explanatory paragraph regarding the Company's ability to continue as a going concern from our auditors.*" In addition, applicable law, regulatory authorities and any new or amendments to existing agreements governing our other indebtedness may restrict our ability to repurchase or redeem the Green Convertible Notes or 2027 Notes, as applicable, when required or to pay the cash amounts due upon conversion. Our failure to repurchase or redeem Green Convertible Notes or 2027 Notes, as applicable, or to pay the cash amounts due upon conversion when required will constitute a default under the indenture governing the Green Convertible Notes or 2027 Notes, as applicable. A default under the indentures or the fundamental change itself could also lead to a default under agreements governing our other indebtedness, which may result in that other indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under our debt agreements.

***We may be classified as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code, which could result in Maxeon being subject to U.S. federal income tax indefinitely.***

Section 7874 of the Code may cause a corporation organized outside the United States to be treated as a U.S. corporation (and, therefore, taxable in the United States) unless one or more exceptions apply. The application of Section 7874 of the Code and its various exceptions are complex and subject to factual and legal uncertainties, with respect to some of which the U.S. Internal Revenue Service ("IRS") has yet to issue guidance. Based on facts as they presently exist, we do not expect Section 7874 to apply to us. However, if we were to be treated as a U.S. corporation for U.S. federal income tax purposes, we would be subject to U.S. corporate income tax on our worldwide income and the income of our non-U.S. subsidiaries would be subject to U.S. tax when deemed recognized under the U.S. federal income tax rules for controlled foreign subsidiaries. See "Item 10.E. Taxation—Material U.S. Federal Income Tax Considerations—Treatment of Maxeon as a U.S. Company for U.S. Federal Income Tax Purposes."

***Failure to meet hiring, capital spending and other requirements to utilize tax incentives provided to us in Malaysia and the Philippines, or to avail ourselves of tax incentives or to negotiate new incentives in existing or other jurisdictions, could adversely affect our results.***

As part of establishing our corporate headquarters in Singapore, we were awarded certain incentives from Singapore's Economic Development Board ("EDB"). These include favorable tax treatment and other forms of financial and operational support. Such incentives are contingent on our meeting employee hiring and capital

expenditure requirements in Singapore. During fiscal year 2023, after careful consideration, the Company decided not to continue with the tax incentive and to re-negotiate the financial support scheme. The Company is currently undergoing discussions with EDB and does not expect material negative impact to our financials in the event of losing both the tax and financial support programs.

We have benefited from a tax holiday granted by the Malaysian government, subject to certain hiring, capital spending, and manufacturing requirements. The full tax exemption for the third and final five-year tranche of this incentive was reinstated in fiscal year 2023, subject to meeting certain conditions, and will expire on June 30, 2026. If we are ever found noncompliant with our final tranche of incentives by the Malaysia Investment Development Authority (“MIDA”), we could be subject to the full tax rate for the incentive period, which could materially and adversely impact our business, financial condition and results of operations.

Our Philippine income tax holiday expired in 2020. However, we continue to qualify for a 5% preferential tax rate on gross income attributable to activities covered by our Philippine Economic Zone Authority (“PEZA”) registration. The Philippine net income attributable to all other activities is taxed at the statutory Philippine corporate income tax rate, which is currently 25%. We need to comply with PEZA requirements and be in good standing to utilize the 5% preferential tax rate on gross income.

In December 2021, the Organization for Economic Cooperation and Development (“OECD”) introduced Base Erosion and Profit Shifting (“BEPS”) Pillar 2 rules that impose a global minimum tax rate of 15%, which was unanimously approved in December 2022. Numerous countries, including European Union member states, have enacted or are expected to enact legislation to be effective January 1, 2024. Singapore is expected to have BEPS Pillar 2 rules effective January 1, 2025. The rules relating to Pillar 2 are broad in scope and we are monitoring the implementation of Pillar 2 legislation in preparation for when such rules come into effect. Due to complexities in applying the legislation, the potential impact on Maxeon’s consolidated financial statements and related disclosures is not yet reasonably estimable.

#### **Risks Related to Our Supply Chain**

*We will continue to be dependent on a limited number of third-party suppliers for certain raw materials and components for our products, and increases in the costs for, or shortages in the availability of, raw materials and components required for our solar products could prevent us from delivering our products to our customers within required timeframes and could in turn result in sales and installation delays, cancellations, penalty payments, and loss of market share.*

We rely on a limited number of third-party suppliers for certain raw materials and components for our solar cells, panels and power systems, such as polysilicon, silicon wafers, inverters and module material. Costs for raw materials and components required for our solar products have been volatile, as a result of limited polysilicon supply, increase in commodities’ prices globally, for instance of glass, aluminum and copper, the ongoing war in Ukraine and the Israel-Hamas-Iran conflict, which have increased the costs and impacted the overall supply of raw materials and components. Certain extraordinary events have in the past, disrupted also our supply chain and resulted in delays in the delivery of goods, stoppage of delivery and raised prices for the solar industry at large. For example, in September 2021, pursuant to the implementation of a new political strategy adopted in mainland China known as the “dual control of energy consumption policy of China”, local governments initiated control policies on domestic industrial energy consumption. These policies forced numerous factories and plants that produce aluminum, glass, silicon and related materials to cut their productivity dramatically or stop production altogether. This previously unforeseen shortage of power supply in mainland China led to drastically reduced production and significant cost increases of raw materials for the solar industry. See “Risk Factors – Risks Related to our Operations - We depend on HSPV and its affiliates for a portion of our Performance line solar panels and any failure to obtain sufficient volume or competitive pricing could significantly impact our revenues, ability to grow and damage our customer relationships.” Changes in government trade policies, including with respect to import and export duties, may also increase our costs or reduce availability. If we are unable to mitigate the impacts of our suppliers’ cost increases or supply shortages, we may be unable to manufacture our products, or our products may be available only at a higher cost or after a delay. We may be unsuccessful in achieving higher prices from our

customers to compensate for the increased costs, which could have a material and adverse effect on our businesses, financial condition and results of operation.

Additionally, if we fail to maintain our relationships with our suppliers or to build relationships with new suppliers, or if suppliers fail to perform or are unable to meet demand through industry consolidation, our supply chain could be disrupted.

To the extent the processes, materials or technology that our suppliers use to manufacture components are proprietary, we may be unable to obtain comparable components from alternative suppliers. In addition, our suppliers could be unable or unwilling to raise capital if required to expand their production or satisfy their operating capital requirements. As a result, they could be unable to supply necessary raw materials, inventory, finished products, capital equipment or other items required to support our planned sales operations, which could in turn materially and adversely impact our sales volume, profitability, and cash flows. The failure of a supplier to supply raw materials or components at all, on commercially reasonable terms, or according to our quality, quantity, timing, volume and cost requirements could impair our ability to manufacture our products, increase our cost of production or decrease the profitability of our products. If we cannot obtain substitute materials or components on a timely basis or on acceptable terms, we could be prevented from delivering our products to our customers within required timeframes.

Any such delays could result in sales and installation delays, cancellations, inability to retain customers, increased manufacturing costs, penalty payments or loss of revenue and market share, any of which could have a material and adverse effect on our business, financial condition and results of operations.

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

##### ***Our success depends on the continuing contributions of our key personnel and our ability to attract and retain qualified personnel in our industry.***

We rely heavily on the services of our key executive officers, and the loss of services of any principal member of our management team could adversely affect our operations. The competition for qualified personnel is intense in our industry. We may not be successful in retaining sufficient numbers of qualified personnel to support our business and anticipated growth. We cannot guarantee that any employee will remain employed with us for any definite period of time since many of our employees, including our key executive officers, serve at-will and may terminate their employment at any time for any reason. In addition, recruiting and retaining qualified personnel for our research and development facility in Silicon Valley is vital to our research and development efforts. There is substantial competition for qualified research personnel, and we may not be able to attract or retain qualified research personnel. Any failure by us to efficiently and effectively recruit and retain key personnel could have an adverse effect on our business, financial condition and results of operations.

##### ***We derive a significant portion of our revenues from our largest customers and are subjected to concentration of credit risk. Any disagreements with these customers can impact our revenues and our long-term relationships.***

Historically, we have relied on a limited number of customers for a substantial portion of our revenue. Four customers individually accounted for at least 10% of accounts receivable as of December 31, 2023. During fiscal year 2023, other than transactions with SunPower, there was one other customer who had accounted for at least 10% of revenue. The loss of any of these or other large customers, their unilateral termination of the agreement, their inability or unwillingness to perform under their agreements, their default in payment or the attempted renegotiation of any of their agreements, could have a material and adverse effect on our financial results.

Because we rely on key customers for a significant portion of our revenues and accounts receivable, we depend on the creditworthiness of these customers. If the financial condition of our customers declines, our credit risk could increase. Should one or more of our significant customers declare bankruptcy, it could materially and adversely affect the collectability of our accounts receivable and our allowance for credit losses, cash flows and net income.

***We agreed to terminate the supply agreements with one of our main customers, and our financial results have and will continue to materially suffer as a result.***

The Company has historically relied for a substantial portion of its revenue on one of its main customers, SunPower, which has accounted for 18.3% and 26.7% of our total revenue during fiscal year 2023 and 2022, respectively.

The Company and SunPower entered into a supply agreement on February 14, 2022 (the “2022/2023 Supply Agreement”), pursuant to which we had agreed to supply SunPower with modules based on our IBC technology (the “IBC Modules”) for use in residential installations in Canada and the United States (excluding Puerto Rico, American Samoa, Guam, the Northern Mariana Islands and the U.S. Virgin Islands, the “Domestic Territory”). On January 5, 2023, the Company and SunPower entered into a Supply Agreement (the “2024/2025 Supply Agreement”) pursuant to which we had agreed to supply SunPower with Maxeon 6 IBC Modules in the Domestic Territory in 2024 and 2025. Following a series of breach notifications by both parties, as a result of voluntary negotiations undertaken by both parties in good faith, on November 13, 2023 we entered into an amendment, settlement and release agreement with SunPower (the “SunPower Settlement Agreement”), pursuant to which, among other things, (i) we agreed to supply SunPower with certain volumes of IBC Modules on a “take or pay” basis under the 2022/2023 Supply Agreement against SunPower’s providing a payment bond to the Company in an amount of not less than \$30 million as security for the volumes it has agreed to purchase, (ii) we would be released from the non-circumvention obligations starting January 1, 2024, and (iii) the 2024/2025 Supply Agreement would terminate as of November 13, 2023. Following the completion of deliveries of IBC Modules under the 2022/2023 Supply Agreement and the termination of the 2022/2023 Supply Agreement in accordance with the terms of the SunPower Settlement Agreement on March 31, 2024, SunPower is no longer our most significant customer.

Due to the disputes with this significant customer and the termination of the future obligations with SunPower, our revenues have been and will continue to be materially negatively impacted in the short term. Further, our results of operations in the longer term are expected to be materially impacted until such time as we are able to rebuild customer demand for our products in the United States, if at all.

***Fluctuations in the demand for our products have caused and in the future may continue to cause impairment of long-lived assets or cause us to write off equipment or inventory or the premature termination of certain contracts, and each of these events could materially and adversely affect our financial results.***

If the demand for our solar products decreases as reflected in the current market environment or as a result of intensifying competition, we may hold excess inventories of our products and we may need to adjust our production and as a result, our manufacturing capacity could be underutilized. We may be required to shorten the useful life of our equipment or record an impairment of our long-lived assets, including facilities and equipment, which would increase our expenses. For example, in light of the current market environment, we are re-engineering our IBC manufacturing capacity and as a result we have and will continue to incur charges, relating to the cancellation of existing purchase orders, accelerated depreciation of certain equipment and severance cost related to the reduction in our global workforce.

If prices or product demand decrease or we fail to forecast demand accurately, we could be required to write off inventory or record excess capacity charges, which could have a negative impact on our gross margin. For example, in light of the current market environment, we have recorded certain inventory adjustments and we have provided reserves to reflect the inventories held at the lower of cost or net realizable value of \$30.5 million as of December 31, 2023.

Each of the above events has had and could materially and adversely continue to affect our future financial results.

*We have significant global activities and customers, which subject us to additional business risks, including logistical complexity and political instability.*

Our sales are made to customers in over 100 countries, and similarly a substantial portion of our supply agreements are with supply and equipment vendors distributed globally. We have solar cell and module production lines located at our manufacturing facilities in Malaysia, Mexico, and the Philippines. We also acquire performance line solar modules from HPSV, which operates in China.

Risks we face in conducting business on this global scale include:

- difficulty in competing against companies who may have greater financial resources and/or a more effective or established localized business presence and/or an ability to operate with minimal or negative operating margins for sustained periods of time;
- adverse public policies in countries we operate including multiple, conflicting, and changing laws and regulations, export and import restrictions, employment laws, environmental protection, regulatory requirements, international trade agreements, and other government approvals, permits and licenses;
- potential disruptions due to labor disputes;
- difficulties and costs in staffing such as identifying, attracting, training, and retaining qualified sales, technical, research & development and other personnel and managing foreign operations as well as cultural differences;
- relatively uncertain legal systems, including potentially limited protection for intellectual property rights, and laws, changes in the governmental incentives we rely on, regulations and policies which impose additional restrictions on the ability of foreign companies to conduct business in certain countries or otherwise place them at a competitive disadvantage in relation to domestic companies;
- inadequate local infrastructure and developing telecommunications infrastructures;
- financial risks, such as longer sales and payment cycles and greater difficulty collecting accounts receivable;
- currency fluctuations, government-fixed foreign exchange rates, the effects of currency hedging activity, and the potential inability to hedge foreign currency fluctuations;
- political, social and economic instability, including wars and conflicts, such as the war in Ukraine, acts of terrorism, political unrest, boycotts, curtailments of trade and other business restrictions, as well as natural disasters or outbreaks of disease, such as the COVID-19 pandemic;
- trade barriers such as export requirements, tariffs, taxes and other restrictions and expenses, which could increase the prices of our products and make us less competitive in some countries;
- business climates that may have the effect of putting foreign companies at a disadvantage relative to domestic companies; and
- liabilities associated with compliance with laws (for example, foreign anti-bribery laws).

We have a complex organizational structure involving many entities globally. This increases the potential impact of adverse changes in laws, rules and regulations affecting the free flow of goods and personnel, and therefore heightens some of the risks noted above. Further, this structure requires us to effectively manage our international inventory and warehouses. If we fail to do so, our shipping movements may not correspond with product demand and flow. If changes in law, regulations or related interpretations occur, this may result in adverse tax or other consequences affecting our capital structure, intercompany interest rates and legal structure. If we are



unable to successfully manage any such risks, any one or more could materially and negatively affect our business, financial condition and results of operations.

***We could be adversely affected by any violations of anti-bribery laws.***

The countries in which we operate also have anti-bribery laws, some of which prohibit improper payments to government and non-government persons and entities. Our policies mandate compliance with these anti-bribery laws. We operate in parts of the world that have 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 standards that exist in the United States and elsewhere. While we implement policies and procedures and conduct training that require and facilitate compliance with these anti-bribery laws, thereby mitigating the risk of violations of such laws, our employees, subcontractors 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 and adverse effect on our business, financial condition, cash flows, and reputation.

***If we experience interruptions in the operation of our solar cell or module production lines or in the execution of our manufacturing expansion or conversion plans, our revenue and results of operations may be materially and adversely affected.***

If our solar cell or module production lines suffer problems that cause downtime, or our manufacturing expansion or conversion plans encounter delays or difficulties in execution, we would be unable to meet our production or capacity expansion targets, which could materially and adversely affect our business. For example, in order to expand our capacity to produce Performance line shingled module technology for use in the United States market, aimed at large-scale commercial and utility-scale power plant markets, we expanded our Malaysia cell manufacturing facility and upgraded our assembly facility in Mexico. We experienced certain delays in our projected production schedule causing delays in delivery of volumes which we were contractually committed to deliver, including to our customer, Danish Fields Solar LLC (“Danish Fields”). In September 2023, we entered into an Abatement and Amendment Agreement with Danish Fields (the “Abatement and Amendment Agreement”) to amend certain terms of the order request executed in November 2021, including delivery schedule, utilization of the prepayment and abatement conditions for the liquidated damages claim by Danish Fields for the delay in the original schedule. The delivery was completed subsequent to the guaranteed delivery date in the Abatement and Amendment Agreement and we recorded liquidated damages of \$7.6 million in connection to our contractual obligation to Danish Fields.

To the extent we are further delayed in our projected production schedule, or fail to achieve our projected production volumes, or fail to renegotiate with customers on revised delivery schedules, we may suffer significant liquidated damages for the volumes we have contractually committed, face additional risks resulting from our failure to meet customers’ demand. Delays in the ramp up of our production capacity may also delay or prevent us from achieving our target cost reductions.

***We regularly assess our manufacturing capacities, and our plans to retrofit or deploy our manufacturing capacities include a number of risks which may hinder the success of these efforts.***

The Company plans to retrofit the existing lines for the conversion of our legacy Maxeon 3 capacity to the manufacturing of Maxeon 7 products, instead of adding incremental Maxeon 7 capacity at one of our Philippines cell manufacturing facilities that is currently not in use. We are currently in the process of making the necessary preparations for these capacity conversions and have reserved a portion of our 2024 planned capex for the retrofit of existing lines in connection with manufacturing of Maxeon 7 products. We are planning to deploy a multi-GW factory in the United States to manufacture solar products for the utility-scale power plant markets, contingent upon us securing the necessary funding and a number of other factors beyond our control. To the extent we are delayed in our projected production schedule, or if we fail to achieve our projected production volumes, or if we are unable to secure the necessary funding, our plans for the manufacturing of Maxeon 7 products or expansion into the United States market may be significantly impaired.

The success of our manufacturing operations and execution of our manufacturing expansion and/or conversion plans are subject to significant risks including:

- cost overruns, delays, supply shortages, equipment problems and other operating difficulties;
- custom-built equipment may take longer or cost more to engineer than planned and may never operate as designed;
- incorporating first-time equipment designs and technology improvements, which we expect to lower unit capital and operating costs, but which may not be successful;
- our ability to obtain or maintain third-party financing to fund capital requirements;
- difficulties in maintaining or improving our historical yields and manufacturing efficiencies;
- difficulties in protecting our intellectual property and obtaining rights to intellectual property developed by our manufacturing partners;
- difficulties in hiring and retaining key technical, management, and other personnel;
- impacts that may arise from, and actions taken in response to, natural disasters, epidemics or pandemics, including the temporary idling of our solar cell and module production lines located at our manufacturing facilities in Malaysia, Mexico and the Philippines, and the facilities of HSPV in China;
- potential inability to obtain, or obtain in a timely manner, financing, or approvals from governmental authorities for operations;
- increased costs and extended timelines for the upgrades of our cell and module production lines to our next-generation technologies; and
- tariffs imposed on imported solar cells and modules which may cause market volatility, price fluctuations, supply shortages, and project delays.

Any of these or similar difficulties may unexpectedly delay or increase costs of our supply of solar cells or costs of execution of our manufacturing expansion and/or conversion plans or delay or prevent us from achieving target cost reductions.

***A disruption in our supply chain for silicon wafers could interrupt or impair our ability to manufacture solar cells and modules, including for the United States market, and could prevent us from delivering our products to our customers within required timeframes and could in turn result in sales and installation delays, cancellations, penalty payments, and loss of market share.***

A key raw material used in our solar cell and module production process is polysilicon. Xinjiang is the source of a significant percentage of the world's supply of polysilicon; however, laws have been enacted or proposed in the United States and certain other countries which effectively prohibit imports of any goods made in, or incorporating material made in, Xinjiang, including for example, the Uyghur Forced Labor Prevention Act which went into effect in the United States on June 21, 2022.

The PRC government has denied the allegations of forced labor in Xinjiang and in June 2021, the PRC government passed the Anti-Foreign Sanctions Law, allowing Chinese authorities to enact countermeasures on entities they believe have harmed China. While the Company is not subject to such countermeasures, this affected the global supply of polysilicon and silicon wafers as there are a limited number of third-party suppliers globally that are able to supply polysilicon sourced that can be verified as not being associated with inputs from Xinjiang.

The Company purchases silicon wafers for use in the manufacture of its solar cells and modules. See "Item 7.B. Related Party Transactions – Agreements with TZE— Silicon Wafer Master Supply Agreement." The Company is committed to maintaining compliance with all applicable laws and regulations and hence it is limited to working

with third party suppliers of silicon wafers made from polysilicon sourced outside of Xinjiang and not otherwise made with inputs from forced labor.

Given the scarcity of polysilicon which has been sourced from outside of Xinjiang, its price has remained high even though the global supply of polysilicon has increased significantly, and the average price of polysilicon has decreased.

The Company may also experience interruption to its supply of silicon wafers due to, amongst other reasons:

- such third party suppliers may not be able to meet our production needs consistently or on a timely basis;
- compared with us, some of our competitors who also purchase polysilicon or silicon wafers from our suppliers have longer and stronger relationships with, and have greater buying power and bargaining leverage over, some of our key suppliers;
- such third party suppliers of silicon wafers may not be able to themselves source polysilicon from outside of Xinjiang, on commercially reasonable terms or at all;
- such third party suppliers may not be able to provide us sufficient verifiable information for us to be able to prove to authorities in the United States or elsewhere that the sources of our silicon wafers are compliant with applicable laws and regulations; and
- our supply of silicon wafers is subject to the business risk of our suppliers, and one or more of which could go out of business for reasons beyond our control.

Our failure to obtain the required amounts of silicon wafers incorporating polysilicon that meets our requirements, in a timely manner and on commercially reasonable terms, could increase our manufacturing costs and substantially limit our ability to meet our contractual obligations to our customers. Any failure by us to meet such obligations could have a material adverse effect on our reputation, ability to retain customers, market share, business and results of operations and may subject us to claims from our customers and other disputes. Furthermore, our failure to obtain sufficient would result in under-utilization of our production facilities and an increase in our marginal production costs. Any of the above events could have a material adverse effect on our growth, profitability and results of operations.

***If we do not achieve satisfactory yields or quality in manufacturing our solar products, our sales could decrease and our relationships with our customers and our reputation may be harmed.***

The manufacture of solar cells is a highly complex process. Minor deviations in the manufacturing process can cause substantial decreases in yield and in some cases, cause production to be suspended or yield no output. If we do not achieve planned yields, our product costs could increase and product availability could decrease, which could result in lower revenues than expected. In addition, in the process of transforming polysilicon into ingots, a significant portion of the polysilicon is removed in the process. In circumstances where we provide the polysilicon, if our suppliers do not have very strong controls in place to ensure maximum recovery and utilization, our economic yield can be less than anticipated, which could increase the cost of raw materials to us.

Additionally, products as complex as ours may contain undetected errors or defects, especially when first introduced. For example, our solar cells or solar panels may contain defects that are not detected until after they are shipped or are installed because we cannot test for all possible scenarios. These defects could cause us to incur significant warranty, non-warranty, recall and re-engineering costs, divert the attention of our engineering personnel from product development efforts, and significantly affect our customer relations and business reputation. If we deliver solar products with errors or defects, including cells or panels of third-party manufacturers, or if there is a perception that such solar products contain errors or defects, our credibility and the market acceptance and sales of our products could be harmed. We could also be required to implement product recalls under applicable law, which could materially and adversely affect our results of operations and financial condition.

***We obtain certain of our capital equipment used in our manufacturing process from sole suppliers and if this equipment is damaged or otherwise unavailable, our ability to deliver products on time could suffer, which in turn could result in order cancellations and loss of revenue.***

Some of the capital equipment used in the manufacture of our solar power products has been developed and made specifically for us, is not readily available from multiple vendors and would be difficult to repair or replace if it were to become damaged or stop working. If any of these suppliers were to experience financial difficulties or go out of business, or if there were any damage to or a breakdown of our manufacturing equipment, our business could suffer. In addition, a supplier's failure to supply this equipment in a timely manner, with adequate quality and on terms acceptable to us, could delay our future capacity expansion or manufacturing process improvements and otherwise disrupt our production schedule or increase our costs of production.

***Fluctuations in foreign currency exchange rates and interest rates could materially and adversely affect our business and results of operations.***

We have significant sales globally, and we are exposed to movements in foreign exchange rates, primarily related to sales to European customers that are denominated in Euros. Depreciation of the Euro would adversely affect our margins on sales to European customers. In addition, we have manufacturing operations in Malaysia, Mexico and the Philippines, and are subject to the risks of the respective currency fluctuations of these countries as we purchase supplies and incur other operational expenses in local currencies. We also purchase Performance line solar panels from HSPV in China for which the expenses are denominated in currencies other than the U.S. dollar. When foreign currencies appreciate against the dollar, inventories and expenses denominated in foreign currencies become more expensive. An increase in the value of the dollar relative to foreign currencies could make our solar power products more expensive for international customers, thus potentially leading to a reduction in demand, and impacting our sales and profitability. As a result, substantial unfavorable changes in foreign currency exchange rates could have a material and adverse effect on our financial condition and results of operations. Although we seek to reduce our currency exposure by engaging in hedging transactions where we deem it appropriate, we do not know whether our efforts will be successful. Because we hedge some of our expected future foreign exchange exposure, if associated revenues do not materialize, we could experience losses. In addition, any break-up of the Eurozone could disrupt our sales and supply chain, expose us to financial counterparty risk, and materially and adversely affect our results of operations and financial condition.

We are exposed to interest rate risk because many of our customers depend on debt financing to purchase our solar power systems. Additionally, due to recent increases in inflation, certain governmental authorities responsible for administering monetary policy have recently increased, and are likely to continue to increase, applicable central bank interest rates. For example, U.S. Federal Reserve raised various interest rates during 2022 and 2023 including US Federal Reserve Interest on Reserve Balances to 5.4 percent effective December 14, 2023. An increase in the benchmark rate would result in an increase in market interest rates. An increase in interest rates has made and could in the future make it difficult for our customers to obtain the financing necessary to purchase our solar power systems on favorable terms, or at all, and thus has lowered and may in the future lower demand for our solar power products, reduce revenue and adversely affect our operating results. An increase in interest rates could lower a customer's return on investment in a system or make alternative investments more attractive relative to solar power systems, which, in each case, could cause our customers to seek alternative investments that promise higher returns or demand higher returns from our solar power systems, which could reduce our revenue and gross margin and adversely affect our operating results. Our interest expense would increase to the extent interest rates rise in connection with our variable interest rate borrowings. If in the future we have a need for significant borrowings and interest rates increase, our cost of capital would increase which may lower our margins. Conversely, lower interest rates have an adverse impact on our interest income.

***We are unable to successfully implement price increases to offset inflation and, as a result, our businesses and financial position and results of operations could be adversely affected.***

We have experienced rising inflationary pressures since 2021. Cost inflation, including increases in ocean container rates, raw material prices, labor rates, energy and domestic transportation costs threaten to impact our profitability and our ability to recover these cost increases through price increases may continue to lag, resulting in downward pressure on our margins. To date, our cost of revenue for our solar power products has been negatively

impacted by the increase in cost of certain raw materials such as glass, silicon, and aluminum. Certain of our supply agreements include an indexed pricing provision that tracks five production commodities: polysilicon, aluminum, glass, transpacific container freight, and crude oil (the “indexed pricing provision”). Under this contractual provision, the final price paid for the modules may be adjusted if actual commodities’ prices as published in the identified indices on the first calendar day of the prior quarter differ from agreed baseline values. Subject to an agreed allowance for any commodity price fluctuations, the negative impact to our cost of revenue by cost inflation would be reduced as higher commodity pricing will require the final module price to be adjusted higher; while lower commodity pricing will require a discount to the final module price. We and our counterparties to these supply agreements have the right to elect to terminate the supply agreement for convenience without penalty or damages if the adjustments to the module price exceed an agreed threshold. We will only be able to realize the benefits of this indexed pricing provision if our costs for the raw materials track the values of such commodities in the identified indices closely. If we incur costs for raw materials that significantly exceed the values of the commodities in the identified indices, we may not be able to recover our costs to the extent that they exceed such values in the identified indices. There can be no assurance that in circumstances where adjustments to the module price exceed an agreed threshold, we will be willing or able to reach an agreement on pricing with our counterparty and avoid termination of the supply agreement. Should any of these supply agreements be terminated, our businesses and financial position and results of operations could be adversely affected.

Any price increases we undertake are also limited by the selling prices of our competitors and market pricing for solar power products generally, and as our selling prices are currently already higher than a number of our competitors, it would be challenging to further increase our pricing whilst still maintaining our competitiveness. For example, due to various industry factors and economic conditions that affected demand from the second half of 2023 onwards, including increased competition and over-supply, we are currently unable to increase our pricing. Any attempts to offset cost increases with price increases may also result in reduced sales, increase customer dissatisfaction or otherwise harm our reputation. Conversely, while any increase in electricity rates as a result of inflationary pressures could cause our products to become more competitive by comparison, there is no assurance that this will result in a corresponding positive impact on our revenue.

***We depend on HSPV and its affiliates for a portion of our Performance line solar panels and any failure to obtain sufficient volume or competitive pricing could significantly impact our revenues, ability to grow and damage our customer relationships.***

We rely upon HSPV, our former joint venture entity, for a portion of our Performance line modules. HSPV was our joint-venture with TZE until April 26, 2024 when we divested all of our equity interest through a sale to TZE and granted a non-exclusive and non-transferable intellectual property license to enable HSPV, to develop, manufacture and sell large scale P-Series solar modules worldwide (other than in the United States) and to develop and manufacture rooftop size P-Series solar modules (“DG Products”) exclusively for Maxeon to sell worldwide. HSPV operates as a standalone entity and we have limited oversight and control over its assembly and testing capacity, delivery schedules, quality assurance, manufacturing yields and production costs. With a single supply source other than our own production, we are more exposed to risks relating to costs, quality control and supply chain management than if we sourced from multiple suppliers. If the operations of HSPV were disrupted or its financial stability impaired, or if it was unable or unwilling to devote supply to us in a timely manner, or at competitive prices, our costs could be impacted and our business could suffer. For example, in 2023, while HSPV was still our joint venture, the oversupply of solar panels in the solar industry resulted in a fall in prices across the industry, however as the prices which we paid HSPV for Performance line modules did not fall at the same rate, this had a material and adverse effect on our financial condition and results of operation. We also risk customer delays resulting from an inability to move module production to an alternate provider if the operations of HSPV are impaired, and it may not be possible to obtain sufficient capacity or comparable production costs at another facility in a timely manner. In addition, migrating our design methodology to third-party contract manufacturers or to a captive panel assembly facility could involve increased costs, resources and development time, and utilizing third-party contract manufacturers could expose us to further risk of losing control over our intellectual property and the quality of our solar panels. Any reduction in the supply of solar panels could impair our revenue by significantly delaying our ability to ship products and potentially damage our relationships with new and existing customers, any of which could have a material and adverse effect on our financial condition and results of operation.

***Our manufacturing facilities, as well as the facilities of certain subcontractors and suppliers, including HSPV, are located in regions that are subject to epidemic or pandemic events, earthquakes, floods, and other natural disasters, and climate change and climate change regulation that could have an adverse effect on our operations and financial results.***

Our manufacturing facilities are located in Malaysia, Mexico and the Philippines, and HSPV, our former joint venture entity which operates in China, supplies us with Performance line solar modules. Any significant epidemic or pandemic, earthquake, flood, or other natural disaster in these countries or countries where our suppliers are located could materially disrupt our operations and/or our production capabilities, could result in damage or destruction of all or a portion of our facilities or HSPV's facilities and could result in our experiencing a significant delay in delivery, or substantial shortage, of our products and services. For example, as a result of the COVID-19 pandemic, we experienced a number of disruptions in our operations and supply chain, as well as forced closures and evacuations impacting our employees due to the ash and debris from volcanic activity at the Taal Volcano in the Philippines in January 2020.

In addition, legislators, regulators, and non-governmental organizations, as well as companies in many business sectors, are considering ways to reduce green-house gas emissions. Further regulation could be forthcoming with respect to green-house gas emissions. For example, the U.S. Securities and Exchange Commission (the "SEC") adopted climate change disclosure rules that would impact disclosures U.S. publicly listed companies would have to make with respect to their green-house gas emissions, depending on the outcome of current pending litigation against these new rules, which the SEC at the moment has voluntarily stayed. Such regulations could result in regulatory or product standard requirements for our global business, including our manufacturing operations or HSPV's operations. Furthermore, the potential physical impacts of climate change on our or HSPV's operations may include changes in weather patterns (including floods, tsunamis, drought and rainfall levels), water availability, storm patterns and intensities, and temperature levels. These potential physical effects may materially and adversely affect the cost, production, sales and financial performance of our operations.

We use, generate and discharge toxic, volatile, and otherwise hazardous chemicals and wastes in our research and development and manufacturing activities and are subject to extensive environment laws and regulations at the international level. These environmental laws and regulations include those governing the discharge of pollutants into the air and water, the use, management, and disposal of hazardous materials and wastes, the cleanup of contaminated sites, and occupational health and safety. As we operate in jurisdictions worldwide, our environmental compliance burden may continue to increase both in terms of magnitude and complexity. We have incurred and may continue to incur significant costs in complying with these laws and regulations if we cannot secure a waiver therefrom. Any failure by us to control the use of, or to restrict adequately the discharge of, hazardous substances could subject us to, among other matters, potentially significant monetary damages and fines or liabilities or suspensions in our business operations. In addition, if more stringent laws and regulations are adopted (and we cannot get a waiver therefrom), the costs of compliance with these new laws and regulations could be substantial. If we fail to comply with present or future environmental laws and regulations, we may be required to pay substantial fines, suspend production or cease operations, or be subjected to other sanctions.

#### **Risks Related to Our Intellectual Property**

***We depend on our intellectual property, and we may face intellectual property infringement claims that could be time-consuming and costly to defend and could result in the loss of significant rights.***

From time to time, we, our customers, or our third parties with whom we work may receive letters, including letters from other third parties, and may become subject to lawsuits with such third parties alleging infringement of their patents or other intellectual property rights. Additionally, we are required by contract to indemnify some of our customers and our third-party intellectual property providers for certain costs and damages of patent infringement in circumstances where our products are a factor creating the customer's or these third-party providers' infringement liability. This practice may subject us to significant indemnification claims by our customers and our third-party providers. We cannot assure investors that indemnification claims will not be made or that these claims will not harm our business, operating results or financial condition. Intellectual property litigation is very expensive, unpredictable and time-consuming, could divert management's attention from our business, and could have a material adverse effect on our business, operating results or financial condition. If there is a successful claim of

infringement against us, our customers or our third-party intellectual property providers, we may be required to pay substantial damages to the party claiming infringement, stop making, using, selling, importing or exporting products or technology that contain the allegedly infringing intellectual property, remove such products or technology from use, or enter into royalty or license agreements that may not be available on acceptable terms, if at all. Any judgments requiring equitable or legal remedies could materially damage our business. We may have to develop non-infringing technology, and our failure in doing so or in obtaining licenses to the proprietary rights on a timely basis could have a material adverse effect on our business, financial condition and results of operations.

***We have announced an investigation into claims, and have filed and may file future claims, against other parties for infringing our intellectual property that may be very costly and may not be resolved in our favor.***

To protect our intellectual property rights and to maintain our competitive advantage, we have filed and may file in the future, or we may otherwise pursue the investigation of, claims related to parties who we believe infringe or misappropriate our intellectual property, including our patents. Investigations, claims, and negotiations may not be successful and may not result in advantageous outcomes. Intellectual property investigations and related litigation can be very expensive, unpredictable and time consuming, could divert management's attention from our business, and could have a material adverse effect on our business, operating results, or financial condition. Further, these efforts may not be successful and may not result in preventing alleged infringing activities or monetizing our intellectual property. A court action may not result in anticipated outcomes, such as a finding of infringement by a third party or award of damages. The validity of one or more of our patents may also be challenged, and we may not be successful in maintaining the validity of such patents. Our participation in intellectual property enforcement and related actions may negatively impact our financial results or ability to engage with suppliers, vendors and/ or customers to the extent we are perceived as litigious.

***Our business is subject to a variety of U.S. and foreign data protection regulations regarding personal data, privacy, and related matters.***

We are subject to U.S. and foreign data protection regulations, including laws, rules, policies, and other obligations, relating to the collection, use, retention, security, and transfer of the personal data or personally identifiable information (collectively, "PII") of data subjects, including our customers, end-users of our products, employees and other third parties with whom we interact. We are subject to a variety of data protection regulations, including the European Union's General Data Protection Regulation ("GDPR"), the California Consumer Privacy Act ("CCPA"), the Personal Data Protection Act of Singapore, the Data Privacy Act in the Philippines, the Personal Data Protection act in Malaysia, and the Privacy Act in Australia.

These data protection regulations apply to various activities relating to the PII, including third-party transactions, international transfers, transfers between one company and its subsidiaries, and transfers among the subsidiaries and other parties with which we have commercial relations. The introduction of new products or expansion of our activities, including PII data processing, in certain jurisdictions may subject us to additional requirements under the data protection regulations. Some data protection regulations, such as the GDPR, can be more restrictive than others. Data protection regulations are constantly evolving and can be subject to significant change, and we may be subject to future data protection regulations. In addition, the application and interpretation of the data protection regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and may be interpreted and applied inconsistently by data protection authorities and inconsistently with our current policies and practices. Existing, proposed and future data protection regulations could be costly to comply with and could delay or impede the development of new products, result in negative publicity, increase our operating costs, require significant management time and attention, require significant changes to our products or business activities, and subject us to inquiries or investigations, claims or other remedies, including fines, which may be significant, or demands that we modify or cease existing business practices, including subject product or service offerings.

A failure by us, our suppliers, or other parties with whom we do business to comply with data protection regulations, data processing agreements, or privacy policies could result in proceedings against us by governmental entities, individual data subjects or others, which could have a material and adverse effect on our business, results of operations, and financial condition.

***We rely substantially upon trade secret laws and contractual restrictions to protect our proprietary rights, and, if these rights are not sufficiently protected, our ability to compete and generate revenue, profit and cash flows could suffer.***

We seek to protect our proprietary manufacturing processes, documentation, and other written materials primarily under trade secret and copyright laws. We also typically require employees, consultants, and third parties, such as our suppliers, vendors and customers, with access to our proprietary information to execute confidentiality agreements. The steps we take to protect our proprietary information may not be adequate to prevent misappropriation of our technology. Our systems may be subject to intrusions, security breaches, or targeted theft of our trade secrets. In addition, our proprietary rights may not be adequately protected because:

- others may not be deterred from misappropriating our technologies despite the existence of laws or contracts prohibiting such misappropriation and information security measures designed to deter or prevent misappropriation of our technologies;
- policing unauthorized use of our intellectual property may be difficult, expensive, and time-consuming, the remedy obtained may be inadequate to restore protection of our intellectual property, and moreover, we may be unable to determine the extent of any unauthorized use; and
- the laws of other countries in which we market our solar products, such as some countries in the Asia/Pacific region, may offer little or no protection for our proprietary technologies.

Reverse engineering, unauthorized copying, or other misappropriation of our proprietary technologies could enable third parties to benefit from our technologies without compensating us for doing so. Litigation may be necessary to enforce our intellectual property rights, protect our trade secrets, or determine the validity and scope of the proprietary rights of others. We cannot ensure that the outcome of such potential litigation will be in our favor, and such litigation may be costly and may divert management attention and other resources away from our business.

An adverse determination in any such litigation may impair our intellectual property rights and may harm our business, prospects, and reputation. Our joint ventures, partners and suppliers may not be deterred from misappropriating our proprietary technologies despite contractual and other legal restrictions. Legal protection in countries where our joint ventures, partners and suppliers are located may not be robust and enforcement by us of our intellectual property rights may be difficult. As a result, our joint ventures, partners and suppliers could directly compete with our business. Any such activities or any other inability to adequately protect our proprietary rights could harm our ability to compete, to generate revenue, profit and cash flows, and to grow our business.

***We may not obtain sufficient patent protection on the technology embodied in the solar products we currently or plan to manufacture and market, which could harm our competitive position and increase our expenses.***

Although we substantially rely on trade secret laws and contractual restrictions to protect the technology in the solar products we currently manufacture and market, our success and ability to compete in the future may also depend to a significant degree upon obtaining patent protection for our proprietary technology and successfully enforcing our patents. We currently own multiple patents and patent applications which cover aspects of the technology in the solar cells and solar panels that we currently manufacture and market. We intend to continue to seek patent protection for those aspects of our technology, designs, and processes that we believe provide significant competitive advantages.

Our patent applications may not result in issued patents, and even if they result in issued patents, the patents may not have claims of the scope we seek or we may have to amend patent applications due to newly discovered prior art. In addition, any issued patents may be challenged, invalidated, or declared unenforceable. Our efforts of enforcing our patents may be unsuccessful as patent litigation is not only highly unpredictable but also expensive. We may not be able to secure suitable evidence of infringement and we may not have suitable patent coverage in each jurisdiction of interest. Even if we obtain an award of damages for infringement by a third party, such award could prove insufficient to compensate for all damages incurred as a result of such infringement, and we may not be able to secure an injunction to prevent the third party from continuing such infringement.



The term of any issued patent is generally 20 years from its earliest filing date and if our applications are pending for a long time period, we may have a correspondingly shorter term for any patent that may issue. Our present and future patents may provide only limited protection for our technology and may be insufficient to provide competitive advantages. For example, competitors could develop similar or more advantageous technologies on their own or design around our patents. Also, patent protection in certain non-U.S. countries may not be available or may be limited in scope and any patents obtained may not be readily enforceable because of insufficient judicial effectiveness or evidence gathering, making it difficult for us to aggressively protect our intellectual property from misuse or infringement by other companies in these countries. Our inability to obtain and enforce our intellectual property rights in some countries may harm our business. In addition, given the costs of obtaining a patent, we may choose not to protect certain innovations in general or in specific geographies that later turn out to be important.

***We may not be able to prevent others from using trademarks in connection with their solar power products, which could adversely affect the market recognition of our name and our revenue, profits and cash flows.***

We hold registered trademarks for MAXEON, SUNPOWER, SOLARIA, and other marks in certain countries, including, in the case of MAXEON, the United States. We have not registered, and may not be able to register, trademarks in important or valuable countries. In jurisdictions where we are unable to obtain or have not tried to obtain registrations, others may sell or advertise products (or engage in other activities) using trademarks or brands that compromise, mimic, copy, incorporate or are similar to our trademarks or brands, which could lead to customer confusion and impact our business. In addition, if there are jurisdictions where another proprietor has already established trademark rights that conflict with our rights, interests or activities, then we may face trademark disputes and we may have to market our products with other trademarks or without our existing brands or trademarks, which may undermine our marketing efforts. In addition, we may have difficulty in establishing strong brand recognition with consumers if others use similar marks for similar products.

Pursuant to a brand framework agreement with SunPower, SunPower assigned to us the non-U.S. SUNPOWER trademarks and SunPower retained ownership of its SUNPOWER trademarks in the U.S. and a limited license to the SUNPOWER trademarks in Canada. We market solar panels under the SUNPOWER or MAXEON brand based on our trademark rights and agreements with SunPower. We face risks of such products being negatively associated with the SUNPOWER or MAXEON brand if any negative publicity were to be incurred against these brands, including negative publicity that is not within our control or based on our activities.

#### **Risks Related to Cybersecurity**

***We may be subject to breaches of information technology systems utilized by us or our suppliers, vendors, customers and other third parties with whom we conduct business, which could impact our business or our business data, lead to disclosure of our internal information, damage our reputation or relationships with suppliers or customers, disrupt access to our online services, and impact our operations. Such breaches could subject us to significant reputational, financial, legal, and operational consequences.***

Our business requires us to use, store, and share with certain third parties with whom we conduct business certain confidential and proprietary information, intellectual property, commercial banking information, information and personal data concerning customers, end users, employees, and business partners, and corporate information concerning internal processes and business functions. Malicious attacks to gain access to such information affects many companies across various industries, including ours.

In many instances, we use encryption and authentication technologies to secure the transmission and storage of data, and multi-factor authentication to access certain systems. These security measures may be compromised as a result of third-party security breaches, employee error, malfeasance, faulty password management, or other irregularity or malicious effort, and result in persons obtaining unauthorized access to our data and third party data stored in our system.

We devote resources to network security, data encryption, access control, and other security measures to protect our systems and data, but these security measures cannot provide absolute security. Cybersecurity threats are dynamic, evolving, and increasing in sophistication, magnitude, and frequency, there can be no assurance that such

procedures and measures will be successful or sufficient to prevent security breaches from occurring. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, target end users through phishing, social engineering, and other malicious techniques, and/or may be difficult to detect for long periods of time, we may be unable to anticipate these techniques or implement adequate preventative measures. As a result, although not material, we have experienced breaches of our systems in the past, and we may experience a breach of our systems in the future that reduces our ability to protect sensitive and confidential data. In addition, hardware, software, or applications we develop or procure from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Unauthorized parties may also attempt to gain access to our systems or facilities or the systems or facilities of third parties with whom we conduct business through fraud, trickery or other forms of deceiving team members, contractors and temporary staff. If we or a third party with whom we conduct business experience, or are perceived to have experienced, a significant data security breach, fail to detect and appropriately respond to a significant data security breach, or fail to implement disclosure controls and procedures that provide for timely disclosure of data security breaches deemed material to our business, including corrections or updates to previous disclosures, we could be exposed to a risk of loss, increased insurance costs, remediation and prospective prevention costs, damage to our reputation and brand, litigation and possible liability, or government enforcement actions, any of which could detrimentally affect our business, results of operations, and financial condition. Furthermore, cybersecurity breaches may expose us to a risk of loss or misuse of confidential and proprietary information. Such theft, loss or fraudulent use of information, or other unauthorized disclosure of personal or sensitive data, may lead to high costs to notify and protect the impacted persons. It could also subject us to litigation, losses, liability, fines, or penalties, any of which could materially and adversely affect our results of operations and reputation. In addition, our costs to adequately counter the risk of cyber-attacks and to comply with contractual and/or regulatory compliance requirements may increase significantly in the future.

We also share information with contractors and third-party providers to conduct our business. In particular, we rely on cloud service providers and face the risks of security breaches emanating from these platforms and interruptions to 24/7 access and the operational availability of such platforms, which will disrupt key business processes. While we generally review and typically request or require such contractors and third-party providers to implement security measures, such as encryption and authentication technologies to secure the transmission and storage of data, those third-party providers may experience a significant data security breach, which may also detrimentally affect our business, results of operations, and financial condition as discussed above.

***We may be subject to information technology system failures or network disruptions that could damage our business operations, financial conditions, or reputation.***

We may be subject to information technology system failures and network disruptions. These may be caused by natural disasters, accidents, power disruptions, telecommunications failures, acts of terrorism or war, computer viruses, physical or electronic break-ins, or similar events or disruptions. System redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient for all eventualities. Such failures or disruptions could result in delayed or canceled orders. System failures and disruptions could also impede the manufacturing and shipping of products, delivery of online services, transactions processing, and financial reporting.

## **Risks Related to the Ownership of Our Shares**

### ***TotalEnergies's and TZE's significant ownership of our shares may adversely affect the liquidity and value of our shares.***

As of December 31, 2023, TotalEnergies and its affiliates own approximately 14.8% of the voting power of outstanding Maxeon shares and TZE owns approximately 22.8% of the voting power of outstanding Maxeon shares. At their current shareholding, TotalEnergies and TZE possess significant influence and control over our affairs. On August 17, 2022, we issued our 2027 Notes, all of which were initially purchased by TZE. To the extent TZE converts the 2027 Notes held by it into Maxeon shares, then its voting power of the outstanding Maxeon shares, and its already significant influence over our affairs, in particular, will increase. TotalEnergies and/or TZE may have different interests than other Maxeon shareholders on matters which may affect our operational and financial decisions. As long as each of TotalEnergies and TZE own a significant percentage of our shares, the ability of our other shareholders to influence matters requiring shareholder approval will be limited. On May 19, 2023, TotalEnergies sold 1,870,000 of its ordinary shares as part of an underwritten public offering by the Company, following its November 1, 2022 Schedule 13D/A filing indicating that they classified the Maxeon shares as “held-for-sale” for financial reporting purposes based on, among other things, TotalEnergies’ management’s plan to sell such shares in one or more transactions within twelve months of the issuance of the financial statements of the TotalEnergies group (the “TotalEnergies’ Future Share Divestment”). In the event that TotalEnergies elects to sell its remaining shares to a single purchaser, that purchaser would possess similarly significant influence and control over our affairs. Among other things, TotalEnergies and/or TZE’s influence could delay, defer or prevent a sale of Maxeon that other shareholders support, or, conversely, this influence could result in the consummation of such a transaction that other shareholders do not support. This concentrated influence could discourage potential investors from seeking to acquire Maxeon shares and, as a result, might harm the market price of Maxeon shares.

### ***If a substantial number of Maxeon shares become available for sale and are sold in a short period of time, the market price for our shares could experience volatility and/or decline.***

Each of TotalEnergies and TZE have the ability to sell a substantial number of Maxeon shares. We filed a registration statement on Form F-3 (File No. 333-268309), which was declared effective on November 23, 2022, pursuant to which each of TotalEnergies and TZE may offer and re-sell the Maxeon shares which they own and the Maxeon shares which may be issued on conversion of the 2027 Notes including ordinary shares issuable upon conversion of any PIK Notes (as defined herein) or, subject to certain conditions, by directly issuing ordinary shares in lieu of cash payment of interest (“Interest Payment Ordinary Shares”), assuming payment of all amounts due with respect to the remaining 4.0% of interest payable as payable-in-kind interest or as Interest Payment Ordinary Shares. If our existing significant shareholders sell substantial amounts of Maxeon shares in the market, including pursuant to the TotalEnergies’ Future Share Divestment, the market price of Maxeon shares could decrease significantly. The disclosure of the TotalEnergies’ Future Share Divestment and any perception in the market that our other existing significant shareholders might sell shares could also depress our share price. A decline in the price of Maxeon shares may impede our ability to raise capital through the issuance of additional shares or other equity securities.

### ***Your percentage ownership in Maxeon may be diluted in the future.***

In the future, we may issue additional shares in connection with capital markets transactions, acquisitions or otherwise. For instance, the board of directors of Maxeon (the “Board of Directors,” “Maxeon Board” or the “Board”) approved recently an increase in the number of shares issuable under the 2020 Omnibus Incentive Plan (the “2020 Plan”), and, in May 2023, we sold 5,620,000 ordinary shares at \$28.00 per share in an underwritten public offering and pursuant to the 2023 TZE Private Placement (as defined under “Item 4.A. History and Development of the Company”), we sold to TZE 1,500,000 ordinary shares at \$28.00 per share. See “Note 1. Background and Basis of Presentation - Background.”

The conversion of some or all of the Notes will dilute the ownership interests of existing shareholders. In particular, to the extent that Zhonghuan Singapore Investment and Development Pte. Ltd. (“TZE SG”), a subsidiary of TZE, continues to hold all or a portion of the 2027 Notes, upon the conversion of such notes, TZE SG may

receive additional Maxeon shares pursuant to the terms of 2027 Notes thereby increasing its ownership interests and voting power, which will consequently dilute the ownership interests of other, existing shareholders. See “—TotalEnergies’s and TZE’s significant ownership of our shares may adversely affect the liquidity and value of our shares.” Additionally, in connection with the Green Convertible Notes, Maxeon granted to TZE SG an option to purchase an amount of Maxeon shares that would allow TZE SG to maintain its percentage ownership of outstanding Maxeon shares following any conversion of the Green Convertible Notes as compared to its percentage ownership existing immediately prior to any such conversion. See “Item 7.B. Related Party Transactions—Dilution Protection Agreement.” Any sales in the public market of the shares issuable upon conversion of the Notes could adversely affect prevailing market prices of our shares. In addition, the existence of the Notes may encourage short selling by market participants because the conversion of the Green Convertible Notes and/ or the 2027 Notes could depress the price of our shares.

Furthermore, the Compensation Committee of the Maxeon Board (the “Compensation Committee”) has and it is anticipated that it will continue to grant equity awards to our employees and directors, from time to time, under our employee benefits plans. These additional awards have and will continue to have a dilutive effect on our earnings per share, which could adversely affect the market price of our shares.

***The effect of the Physical Delivery Forward and Prepaid Forward, which were entered into in connection with the issuance of our Green Convertible Notes, may affect the value of Maxeon shares and may result in unexpected market activity in Maxeon shares.***

In connection with the issuance of the Green Convertible Notes, we entered into the Physical Delivery Forward with a Physical Delivery Forward Counterparty with respect to the Physical Delivery Maxeon Shares (each defined under “Note 11. *Debt and Credit Sources*” to our consolidated financial statements). Pursuant to the Physical Delivery Forward, the Physical Delivery Forward Counterparty agreed to deliver such Physical Delivery Maxeon Shares to us or a third-party trustee designated by us for no consideration at or around the maturity of the Green Convertible Notes. The delivery of such Physical Delivery Maxeon Shares is subject to the conditions set forth in the agreements governing the Physical Delivery Forward, including receipt of required shareholder approvals on an annual basis and subject under Singapore law to an aggregate limit of 20% as of the date of the annual shareholder purchase approval (calculated together with the number of ordinary shares to be purchased in connection with the Prepaid Forward).

In connection with the issuance of the Green Convertible Notes, we entered into the Prepaid Forward with an affiliate of one of the initial purchasers, pursuant to which we will repurchase 2.5 million Maxeon shares, subject to the conditions set forth in the agreements governing the Prepaid Forward, including receipt of required shareholder approvals on an annual basis. Under the terms of the Prepaid Forward, the Prepaid Forward Counterparty (as defined under “Note 11. *Debt and Credit Sources*” to our consolidated financial statements) will be obligated to deliver the number of Maxeon shares underlying the transaction to us, or pay cash to the extent we fail to provide to Prepaid Forward Counterparty evidence of a valid shareholder authorization, on or shortly after the maturity date of the Green Convertible Notes, subject to the ability of the Prepaid Forward Counterparty to elect to settle all or a portion of the transaction early.

We may not be able to obtain requisite shareholder approvals to take back the shares under the Physical Delivery Forward or Prepaid Forward at the maturity date or earlier subject to noteholders’ request for conversion of the Green Convertible Notes.

In addition, the Prepaid Forward Counterparty (or its affiliates) are likely to modify their hedge positions in respect of the Prepaid Forward by entering into or unwinding various derivative transactions with respect to Maxeon shares and/or by purchasing Maxeon shares or other securities of us in secondary market transactions prior to maturity of the Prepaid Forward.

The effect, if any, of any of these transactions, events and activities on the market price of Maxeon shares will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the value of Maxeon shares.

***We are subject to counterparty risk with respect to the Prepaid Forward and the Physical Delivery Forward.***

Each of the Prepaid Forward Counterparty and the Physical Delivery Forward Counterparty is a financial institution, and we will be subject to the risk that either or both might default under the Prepaid Forward and/or the Physical Delivery Forward. Our exposure to the credit risk of the Prepaid Forward Counterparty and/or the Physical Delivery Forward Counterparty is not secured by any collateral. Global economic conditions have from time to time resulted in the actual or perceived failure or financial difficulties of many financial institutions, including the bankruptcy filing by Lehman Brothers Holdings Inc. and its various affiliates. If the Prepaid Forward Counterparty or the Physical Delivery Forward Counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under our transactions with the Prepaid Forward Counterparty or the Physical Delivery Forward Counterparty. Our exposure will depend on many factors, but, generally, the increase in our exposure will be correlated with increases in the market price or the volatility of Maxeon shares. In addition, upon a default by the Prepaid Forward Counterparty or the Physical Delivery Forward Counterparty, we may suffer adverse tax consequences and may experience more dilution than currently anticipated with respect to Maxeon shares. We can provide no assurances as to the financial stability or viability of the Prepaid Forward Counterparty or the Physical Delivery Forward Counterparty.

***We do not intend to pay dividends on our shares and no assurance can be given that we will pay or declare dividends in the future.***

For the foreseeable future, we intend to retain any earnings to finance the development of our business, and we do not anticipate paying any cash dividends on our shares, and no assurance can be given that we will pay or declare dividends in the future. The Maxeon Board may, in its discretion, recommend the payment of a dividend in respect of a given fiscal year. However, the declaration, timing, and amount of any dividends to be paid by us will be subject to the approval of our shareholders at the relevant Annual General Meeting of shareholders. The determination of the Maxeon Board as to whether to recommend a dividend and the approval of any such proposed dividend by our shareholders, will depend upon many factors, including our financial condition, earnings, corporate strategy, capital requirements of our operating subsidiaries, covenants, legal requirements and other factors deemed relevant by the Maxeon Board and shareholders. See “Item 10.B. Memorandum and Articles of Association—Dividends” for more information.

***We may issue additional Maxeon shares, other equity or equity-linked or debt securities, which may materially and adversely affect the price of the Maxeon shares.***

We may issue additional equity, equity-linked or debt securities for a number of reasons, including to finance our operations and business strategy (including in connection with expansion of our manufacturing capacity, acquisitions, strategic collaborations or other transactions), to satisfy our obligations for the repayment of existing indebtedness, to adjust our ratio of debt to equity, or for other reasons. Any future issuances of equity securities or equity-linked securities could substantially dilute the interests of our existing shareholders and may materially and adversely affect the price of Maxeon shares. We cannot predict the timing or size of any future issuances or sales of equity, equity-linked or debt securities, or the effect, if any, that such issuances or sales, may have on the market price of Maxeon shares. Market conditions could require us to accept less favorable terms for the issuance of our securities in the future.

***The market price for Maxeon shares has been, and may in the future continue to be, volatile.***

The market price for Maxeon shares has been highly volatile and subject to wide fluctuations. During the period from August 26, 2020, the first day on which Maxeon shares were listed on NASDAQ, until December 31, 2023, the market price of Maxeon shares ranged from \$3.91 to \$57.97 per share. As of May 21, 2024, Maxeon shares closed at \$2.71/share. The market price of Maxeon shares may continue to be volatile and subject to wide fluctuations in response to a wide variety of factors, including the factors discussed in this risk factors section and the following:

- our ability to successfully execute on our financing plans to provide the necessary liquidity for us to operate as a going concern;

- our ability to successfully implement our restructuring plans;
- our ability to replace the revenue we would have generated under the 2022/ 2023 Supply Agreement and 2024/ 2025 Supply Agreement with SunPower, which agreements have been terminated;
- announcements of new products by us or our competitors;
- news regarding any gain or loss of customers by us;
- news regarding recruitment or loss of key personnel by us or our competitors;
- announcements of competitive developments, acquisitions or strategic alliances in our industry;
- the operating and stock price performance of other companies, other industries and other events or factors beyond our control;
- the impacts of the ongoing conflicts and geopolitical issues on us and the national and global economies;
- regulatory developments in our target markets affecting us, our customers or our competitors;
- announcements regarding patent litigation or the issuance of patents to us or our competitors;
- announcements of studies and reports relating to the conversion efficiencies of our products or those of our competitors;
- actual or anticipated fluctuations in our quarterly results of operations;
- changes in financial projections or estimates about our financial or operational performance by securities research analysts;
- changes in the economic performance or market valuations of other solar power technology companies;
- market perception of our response to challenging economic and market environment;
- sales or perceived sales of additional shares or Notes;
- commencement of, or our involvement in, litigation;
- speculative trading practices by certain market participants;
- actual or purported “short squeeze” trading activity;
- trading of our shares, which can have an outsized impact on our stock price given the limited public float;
- fluctuations in the exchange rates;
- persistent or rising inflation;
- high or rising interest rates;
- general market conditions or other developments affecting us or our industry; and
- changes in the general condition of the global economy and credit markets.

Any of these factors may result in large and sudden changes in the volume and price at which our shares will trade.

On some occasions, our stock price may be, or may be purported to be, subject to “short squeeze” activity. A “short squeeze” is a technical market condition that occurs when the price of the stock increases substantially, forcing market participants who have taken a position that its price would fall (i.e. who had sold the stock “short”), to buy it, which in turn may create significant, short-term demand for the stock not for fundamental reasons, but rather due to the need for such market participants to acquire the stock in order to forestall the risk of even greater losses. A “short squeeze” condition in the market for a stock can lead to short-term conditions involving very high volatility and trading that may or may not track fundamental valuation models. Market disruptions such as the various U.S. key market-wide circuit breakers since March 9, 2020 triggered by concerns over economic slowdown led to historic drops for the U.S. capital markets. These market fluctuations may also have a material adverse effect on the market price of our shares. In the past, following periods of volatility in the market price of their stock, many companies have been the subject of securities class action litigation. If we become involved in similar securities class action litigation in the future, it could result in substantial costs and diversion of our management’s attention and resources and could harm our stock price, business, prospects, financial condition and results of operations.

In addition, the stock market in general, and NASDAQ and the securities of technology companies and solar companies in particular, have experienced severe price and volume fluctuations. These trading prices and valuations, including our own market valuation and those of companies in our industry generally, may not be sustainable. These broad market and industry factors may decrease the market price of our shares, regardless of our actual operating performance. Because the Notes are convertible into our shares (and/or cash equivalent to the value of our shares), volatility or depressed share prices could have a similar effect on the trading price of the Notes.

***Securities analysts may not publish favorable research or reports about our business or may publish no information at all, which could cause our stock price or trading volume to decline.***

The trading market can be influenced to some extent by the research and reports that industry or financial analysts publish about us and our business. We do not control these analysts. As a foreign private issuer, the analysts who publish information about Maxeon shares may have had relatively little experience with us or our industry, which could affect their ability to accurately forecast our results and could make it more likely that we fail to meet their estimates. If any of the analysts who cover us provide inaccurate or unfavorable research or issue an adverse opinion regarding our stock price, our stock price could decline. If one or more of these analysts cease coverage of us or fail to publish reports covering us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline and result in the loss of all or a part of your investment in us.

***We are a foreign private issuer and, as a result, we are not subject to U.S. proxy rules and are subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.***

Since the consummation of the Spin-off, we have been reporting under the Exchange Act as a non-U.S. company as a foreign private issuer. Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, (ii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time and (iii) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events. In addition, foreign private issuers are not required to file their annual report on Form 20-F until four months after the end of each financial year, while U.S. domestic issuers that are large accelerated filers are required to file their annual report on Form 10-K within 60 days after the end of each fiscal year. Foreign private issuers are also exempt from the Regulation FD, aimed at preventing issuers from making selective disclosures of material information. In addition, as a foreign private issuer, we are also entitled to rely on exceptions from certain corporate governance requirements of the NASDAQ.

As a result of the above, you may not have the same protections afforded to shareholders of companies that are not foreign private issuers.

*As a foreign private issuer, we are permitted to, and follow certain home country corporate governance requirements in lieu of certain NASDAQ requirements applicable to domestic issuers.*

As a foreign private issuer, we are permitted to, and follow certain home country corporate governance requirements in lieu of certain NASDAQ requirements. Following our home country corporate governance requirements, as opposed to the requirements that would otherwise apply to a U.S. company listed on the NASDAQ, may provide less protection than is afforded to investors under the Nasdaq Listing Rules applicable to domestic issuers.

In particular, we follow home country requirements instead of NASDAQ requirements otherwise applicable to U.S. companies regarding:

- Nasdaq's requirement that a majority of the Maxeon Board be "independent" as defined by the Nasdaq Listing Rules. However, the Singapore Companies Act does not impose a similar requirement on a company.
- Nasdaq's requirement that an issuer provide for a quorum as specified in its bylaws for any meeting of the holders of ordinary shares, which quorum may not be less than 33 1/3% of the outstanding shares of an issuer's voting ordinary shares. The requirement for a quorum under the Singapore Companies Act is two members of the company personally present so far as the constitution of a company does not make other provision in that behalf. Our Constitution similarly provides that two members of Maxeon present in person (and includes a person attending as a proxy or as representing a corporation which is a member) shall constitute a quorum for a general meeting.
- Nasdaq's requirement that all members of our Compensation Committee be "independent" as defined in the Nasdaq Listing Rules. While the Maxeon Board has established a Compensation Committee, the Singapore Companies Act does not require us to maintain such a committee and does not require a majority of such committee to be independent directors. Similarly, Singapore law does not require that we disclose information regarding third-party compensation of our directors or director nominees.
- Nasdaq's requirement the nominating committee of our Board (the "Nominating and Corporate Governance Committee") be "independent" as defined in the Nasdaq Listing Rules. The Singapore Companies Act does not require a nominating and corporate governance committee to be comprised entirely of independent directors, and nominations of persons for election to the Maxeon Board will be recommended by our Nominating and Corporate Governance Committee whose members are not all independent directors as defined by the Nasdaq Listing Rules.
- NASDAQ's requirement that issuers obtain shareholder approval prior to the issuance of securities in connection with certain acquisitions, changes of controls or private placements of securities, or the establishment or amendment of certain stock option, purchase or other compensation plans. Under the Singapore Companies Act, new shares may be issued only with the prior approval of our shareholders in a general meeting. Approval, if granted, shall continue in force until the earlier of:
  - the conclusion of the next annual general meeting after the date on which the approval was given; and
  - the expiration of the period within which the next annual general meeting after that date is required by law to be held.

Any such approval may be revoked or varied by the company in a general meeting.

***We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act's domestic reporting regime and cause us to incur significant additional legal, accounting and other expenses.***

We became a foreign private issuer as of the date of the Spin-off and therefore we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers. In order to maintain our status as a foreign private issuer, either (a) a majority of our shares must be directly or indirectly owned of record by non-residents of the United States or (b)(i) a majority of our executive officers or directors may not be U.S. citizens or residents, (ii) more than 50% of our assets cannot be located in the United States and (iii) our business must be administered principally outside the United States. If pursuant to the TotalEnergies Future Share Divestment or sales of our shares by any of our other existing significant shareholders, the majority of our shares are no longer directly or indirectly owned of record by non-residents of the United States,



and we are unable to meet any of the other requirements to qualify as a foreign private issuer, then we will lose our foreign private issuer status.

If we were to lose our foreign private issuer status, we would be required to comply with the Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers. For instance, we would be required to make changes in our corporate governance practices in accordance with various SEC and NASDAQ rules. The regulatory and compliance costs to us under U.S. securities laws when we would be required to comply with the reporting requirements applicable to a U.S. domestic issuer could be significantly higher than the costs we will incur as a foreign private issuer. As a result, a loss of foreign private issuer status could increase our legal and financial compliance costs and could make some activities highly time-consuming and costly. If we were required to comply with the rules and regulations applicable to U.S. domestic issuers, it could make it more difficult and expensive for us to obtain director and officer liability insurance, and we could be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified members of the Maxeon Board.

***New rules and regulations impacting public companies may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.***

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of NASDAQ on which Maxeon shares are traded and other applicable securities rules and regulations. The SEC and other regulators have and continue to propose and adopt new rules and regulations and make additional changes to existing regulations that require our compliance. Shareholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact, in ways we cannot currently anticipate. For example, on July 26, 2023, the SEC adopted rules on Cybersecurity Risk Management, Strategy, Governance and Incident Disclosure by Public Companies and on March 6, 2024, the SEC adopted climate-related disclosure rules that would require registrants to include certain climate-related disclosures in their registration statements and periodic reports, including information about climate-related risks that are reasonably likely to have a material impact on their business, results of operations, or financial condition, and certain climate-related financial information in a note to their audited financial statements. Depending on the outcome of pending litigation against the climate rules which the SEC has for the moment voluntarily stayed, we anticipate that we will incur considerable costs and expenses associated with complying with the climate-related disclosure rules, as well as the new cyber disclosure rules and other rules and regulations implemented by the SEC and the NASDAQ, particularly if we no longer qualify as a "foreign private issuer." We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities more time-consuming and costly, while also diverting some of management's time and attention from revenue-generating activities. Furthermore, these rules and regulations could make it more difficult or more costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our Board, our board committees or as executive officers. If we fail to comply with these rules and regulations, we could be subject to a number of penalties, including the delisting of our Maxeon shares, fines, sanctions or other regulatory action or civil litigation.

***We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. Holders of our shares.***

Based upon, among other things, the nature of our business, the current and anticipated valuation of our assets and the composition of our income and assets, we do not believe we were a passive foreign investment company ("PFIC") for U.S. federal income tax purposes for the taxable year ended December 31, 2023 and we do not expect to be treated as a PFIC for the current taxable year or in the foreseeable future. However, the application of the PFIC rules is subject to uncertainty in several respects. In addition, a separate determination must be made after the close of each taxable year as to whether we were a PFIC for that year. Accordingly, we cannot assure you that we will not be a PFIC for our current, or any future, taxable year. A non-U.S. corporation will generally be a PFIC for any taxable year if either (i) at least 75.0% of its gross income for such year is passive income or (ii) at least 50.0% of

the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income. For this purpose, we will be treated as owning our proportionate share of the businesses and earning our proportionate share of the income of any other business in which we own, directly or indirectly, at least 25.0% (by value) of the stock. Because the value of our assets for purposes of the PFIC test will generally be determined in part by reference to the market price of our shares, fluctuations in the market price of the shares may cause us to become a PFIC. In addition, changes in the composition of our income or assets may cause us to become a PFIC. As a result, dispositions of operating companies could increase the risk that we become a PFIC. If we are a PFIC for any taxable year during which a U.S. Holder holds our shares, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder. For further information on such U.S. federal income tax implications, see “Item 10.E. Taxation—Material U.S. Federal Income Tax Considerations—Passive Foreign Investment Company.”

***While we believe we currently have effective internal control over financial reporting, we may identify a material weakness in our internal control over financial reporting that could cause investors to lose confidence in the reliability of our financial statements and result in a decrease in the value of our shares.***

Our management is responsible for maintaining internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with GAAP. They are also responsible, in accordance with the Singapore Companies Act, for keeping accounting and other records that will sufficiently explain the transactions and financial position of Maxeon, establishing true and fair financial statements to be prepared from time to time and maintaining that records be kept in such manner as to enable them to be conveniently and properly audited. We need to continuously maintain our internal control processes and systems and adapt them as our business grows and changes. This process is expensive, time-consuming, and requires significant management attention. Furthermore, as we grow our business, our internal controls may become more complex and we may require significantly more resources to ensure they remain effective. Failure to implement required new or improved controls, or difficulties encountered in their implementation could harm our operating results or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm identify material weaknesses in our internal controls, the disclosure of that fact, even if quickly remedied, may cause investors to lose confidence in our financial statements and the trading price of our shares may decline.

Remediation of a material weakness could require us to incur significant expense and if we fail to remedy any material weakness, our financial statements may be inaccurate, our ability to report our financial results on a timely and accurate basis may be adversely affected, our access to the capital markets may be restricted, the trading price of our shares may decline, and we may be subject to sanctions or investigation by regulatory authorities, including the SEC or NASDAQ. We may also be required to restate our financial statements from prior periods.

***Our insurance for certain indemnity obligations we have to our officers and directors may be inadequate, and potential claims could materially and negatively impact our financial condition and results of operations.***

Pursuant to our constitution (the “Constitution”), and to the extent permitted by the Singapore Companies Act and applicable laws, we will indemnify our officers and directors for certain liabilities that may arise in the course of their service to us. Although we currently maintain director and officer liability insurance for certain potential third-party claims for which we are legally or financially unable to indemnify them, such insurance may be inadequate to cover certain claims, or may prove prohibitively costly to maintain in the future. In addition, we may choose to primarily self-insure with respect to potential third-party claims. If we were required to pay a significant amount on account of these liabilities for which we self-insured, our business, financial condition, and results of operations could be materially harmed.

## **Risks Related to Doing Business in China**

*Uncertainties with respect to the PRC legal system, which continues to evolve, including with respect to the enforcement of laws and the possibility of changes of rules and regulations with little or no advance notice, could materially and adversely affect us.*

We are supplied with certain of our Performance line solar modules through HSPV in China. The corporate governance and business activities of HSPV are subject to the general PRC company law and contract law, respectively.

The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded to various forms of foreign investments in China. However, since these laws and regulations are relatively new and the PRC legal system is still developing, the implementation and enforcement of many laws, regulations and rules may be inconsistent, which may limit legal protections available to us, especially under the international legal framework. Changes in PRC law could negatively affect our current agreements and important business rights including use of our intellectual property, our capacity allocation rights and our exclusive territorial sales rights. In addition, any litigation in China may be protracted and may result in substantial costs and divert our resources and the attention of our management.

Even though, currently, we and HSPV are not subject to PRC laws relating to the collection, use, sharing, retention, security, and transfer of confidential and private information, such as personal information and other data, these laws continue to develop, and the PRC government may adopt other rules and restrictions in the future. Non-compliance could result in penalties or other significant legal liabilities. For example, the Cybersecurity Law, the Cybersecurity Review Measures and the PRC's Data Security Law impose regulations, review and conditions on the storage, security, purchase, collection and use of personal information and important data collected and generated by a critical information infrastructure operator ("CIIO") in the course of its operations in China, including on the purchase of data affecting national security. While we believe our business and the business of HSPV do not currently include the type of activities subject to this regulation, uncertainty remains about the final content of these and other regulations, interpretation and implementation, and various other implications. It also remains uncertain whether any future regulatory changes would impose additional restrictions on companies like us and HSPV.

We conduct limited operations in China with about 43 employees as of December 31, 2023, and participated in panel manufacturing operations through HSPV, which was our joint-venture with TZE until April 26, 2024 when we entered into an equity transfer agreement with TZE to sell all of our equity interest in the joint venture to TZE, and generated revenues from sales in China of \$16.3 million for the fiscal year ended December 31, 2023, which represents 1.4% of our total revenue for the period. On April 26, 2024, we entered into the 2024 HSPV Master Supply Agreement (as defined below) pursuant to which HSPV and its affiliates will supply us with Performance line solar modules that meet certain criteria. There is a risk that the PRC government may intervene or negatively influence HSPV's operations at any time. While we believe that the recent statements or regulatory actions by the relevant organs of the PRC government, including statements relating to the PRC Data Security Law, the PRC Personal Information Protection Law, guidance related to capital raising outside of the PRC through VIEs as well as the anti-monopoly enforcement actions, should not have any material adverse impact on HSPV's ability to conduct its existing business operations, there is no guarantee that this will continue to be the case or that the PRC government will not seek to intervene or negatively influence the operations of HSPV at any time. If certain PRC laws and regulations, including existing laws and regulations and those enacted or promulgated in the future, were to become applicable to a company such as us in the future, the application of such laws and regulations may have a material adverse impact on our business, financial condition and results of operations. We cannot predict the extent of such impact if such events were to occur.

***Changes in political and economic policies of the PRC government could have a material adverse effect on the overall economic growth of China, which could materially and adversely affect our competitive position.***

We used to conduct operations in China through our participation in panel manufacturing operations through HSPV, our former joint venture in China with TZE. A portion of our sales are made in China and for the fiscal year ended December 31, 2023, our revenue generated from sales in China was \$16.3 million, representing 1.4% of our total revenue for period. On April 26, 2024, we entered into an equity transfer agreement with TZE to sell all of our equity interest in HSPV to TZE and entered into a supply agreement with HSPV for the supply of Performance line solar modules as well as granted to a subsidiary of TZE, a non-exclusive, non-transferable intellectual property licensing agreement for the development and manufacture of Performance line solar modules.

Accordingly, our business, financial condition, results of operations and prospects may be affected significantly by economic, political and legal developments in China. The PRC economy differs from the economies of most developed countries in many respects, including:

- the level of government involvement;
- the level of development;
- the growth rate;
- the control of foreign exchange; and
- the allocation of resources.

While the PRC economy has grown significantly in the past 30 years, the growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may have a negative effect on HSPV or us.

The PRC economy has been transitioning from a planned economy to a more market-oriented economy. Although in recent years the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of the productive assets in China is still owned by the PRC government. The PRC government, including at both the national and local levels, has exercised and continues to exercise substantial control over virtually every sector of the PRC economy via regulation and state ownership. The PRC government also exercises significant control over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, limiting financing options of private businesses, controlling energy consumption and providing preferential treatment to particular industries or companies. For example, during the COVID-19 pandemic, the PRC Government implemented stringent containment measures in an effort to control the outbreak in line with its "Dynamic Zero-COVID" policy, which were subsequently relaxed and these changes in implementation of the PRC Government's "Dynamic Zero-COVID" policy caused fluctuations of labor due to infections and previously, travel and other restrictions and shipment delays due to transportation interruptions. See *"We depend on HSPV and its affiliates for our Performance line solar panels and any failure to obtain sufficient volume or competitive pricing could significantly impact our revenues, ability to grow and damage our customer relationships."*

Future governmental actions, including any decision not to continue to support recent economic reforms and/or to return to a more centrally planned economy, regional or local variations in the implementation of such economic policies, or new, stricter regulations or interpretations of existing regulations could significantly affect economic conditions in China and materially impair HSPV's ability to conduct panel manufacturing within China, which could have a material adverse effect on our supply of Performance line solar modules and our results of operations. We cannot predict whether changes in China's political, economic and social conditions, laws, regulations and policies will have any material adverse effect on our current or future business, financial condition and results of operations.

***Allegations of forced labor, the implementation of laws both recently enacted and proposed against the use of forced labor, and customer sentiment as a result of this issue, could have an adverse impact on our business.***

Measures addressing the use of forced labor in the global solar supply chain by the United States and other countries are disrupting global solar supply chains and our operations could be adversely impacted. The Uyghur Forced Labor Prevention Act, in effect in the United States from June 21, 2022 creates a rebuttable presumption that imports of any goods made either wholly or in part in Xinjiang have been produced with forced labor. That presumption is rebuttable if the U.S. Customs and Border Protection (“CBP”) determines, based on “clear and convincing evidence”, that the goods in question were not produced “wholly or in part by forced labor”, and submits a report to the U.S. Congress setting out its findings. Polysilicon has been identified as a high priority for the CBP, with other critical inputs including aluminum coming under scrutiny.

Other jurisdictions have also been enacting similar legislation, or are in the process of doing so. For instance, Germany’s Supply Chain Due Diligence Act forbidding forced labor in supply chains went into effect on January 1, 2023. The European Union and Australia both have legislative initiatives to ban importation of goods produced with forced labor underway.

Maxeon maintains policies and procedures, including conducting due diligence and audits on suppliers (and their suppliers throughout the supply chain to the original source of the raw materials to the extent practicable) to maintain compliance with all relevant laws and regulations, and is, to its knowledge, in compliance with all applicable laws. Our supply chain mapping has not identified any source or supplier from the Xinjiang region. However, these laws may impact Maxeon’s imports into the United States and elsewhere as the standards applied are evolving, raising new challenges for traceability and compliance throughout complex supply chains.

Allegations of forced labor may also affect customer sentiment and tarnish the reputation of the solar industry as a whole and thereby have an adverse effect on our business. Our due diligence procedures for our suppliers are regularly reviewed, and form the basis of our belief that our solar products are not produced with forced labor. If, despite these procedures, allegations of forced labor are made against our solar products, this may impact Maxeon’s imports into the United States and elsewhere, tarnish our reputation and adversely impact our business.

#### **Risks Related to Being a Singapore Company**

***It may be difficult to enforce a judgment of U.S. courts for civil liabilities under U.S. federal securities laws against us, our directors or officers in Singapore.***

We are incorporated under the laws of Singapore and certain of our officers and directors are or will be residents outside of the United States. Moreover, most of our assets are located outside of the United States. Although we are incorporated outside of the United States, we have agreed to accept service of process in the United States through our agent designated for that specific purpose.

There is no treaty between the United States and Singapore providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters and a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the federal securities laws, would, therefore, not be automatically enforceable in Singapore. In making a determination as to enforceability of a foreign judgment, the Singapore courts need to be satisfied that the foreign judgment was final and conclusive and on the merits of the case, given by a court of law of competent jurisdiction, and was expressed to be for a fixed sum of money. In general, a foreign judgment would be enforceable in Singapore unless procured by fraud, or if the proceedings in which such judgments were obtained were not conducted in accordance with principles of natural justice, or if the enforcement thereof would be contrary to the public policy of Singapore, or if the judgment would conflict with earlier judgments from Singapore or earlier foreign judgments recognized in Singapore, or if the judgment would amount to the direct or indirect enforcement of foreign penal, revenue or other public laws. Civil liability provisions of the federal and state securities law of the United States permit the award of punitive damages against us, our directors and officers. The Singapore courts do not allow the enforcement of foreign judgments which amount to the direct or indirect enforcement of foreign penal, revenue or other public laws. It is uncertain as to whether a judgment of the courts of the United States awarding such punitive damages would be regarded by the Singapore courts as being pursuant to foreign, penal, revenue or other public laws. Such determination has yet to be conclusively made by a Singapore court in a reported decision. Accordingly, it may be

difficult for investors to enforce against us, our directors or our officers in Singapore, judgments obtained in the United States which are predicated upon the civil liability provisions of the federal securities laws of the United States.

***We are incorporated in Singapore and our shareholders may have greater difficulty in protecting their interests than they would as shareholders of a corporation incorporated in the United States.***

Our corporate affairs are governed by our Constitution and by the laws governing companies incorporated in Singapore. The rights of our shareholders and the responsibilities of the members of the Maxeon Board under Singapore law are different from those applicable to a corporation incorporated in the United States. Therefore, our public shareholders may have more difficulty in protecting their interest in connection with actions taken by our management or members of the Maxeon Board than they would as shareholders of a corporation incorporated in the United States.

***Singapore corporate law may impede a take-over of our company by a third party, which could adversely affect the value of our shares.***

The Singapore Code on Take-overs and Mergers (the "Singapore Take-overs Code") and Sections 138, 139 and 140 of the Securities and Futures Act 2001 of Singapore contain certain provisions that may delay, deter or prevent a future takeover or change in control of our company for so long as we remain a public company with more than 50 shareholders and net tangible assets of S\$5.0 million or more. Any person acquiring shares, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert (as defined in the Singapore Take-over Code) with such person, in 30% or more of the voting rights of our company, or, if such person holds, either on his own or together with parties acting in concert with such person, not less than 30% but not more than 50% (both inclusive) of the voting rights of our company, and such person (or parties acting in concert with such person) acquires additional shares carrying more than 1% of the voting rights of our company in any six-month period, must, except with the consent of the Securities Industry Council of Singapore, extend a mandatory take-over offer for all the remaining voting shares in accordance with the provisions of the Singapore Take-overs Code.

On January 30, 2020, the Securities Industry Council of Singapore waived the application of the Singapore Take-overs Code to us, subject to certain conditions. Pursuant to the waiver, for as long as we are not listed on a securities exchange in Singapore, and except in the case of a tender offer (within the meaning of U.S. securities laws) where the Tier 1 Exemption set forth in Rule 14d-1(c) under the Exchange Act (the "Tier 1 Exemption") is available and the offeror relies on the Tier 1 Exemption to avoid full compliance with the tender offer regulations promulgated under the Exchange Act, the Singapore Take-overs Code shall not apply to us. In connection with receipt of the waiver, the SunPower board of directors submitted to the Securities Industry Council of Singapore a written confirmation to the effect that it is in the interests of SunPower shareholders who will become holders of Maxeon shares as a result of the Spin-off that a waiver of the provisions of the Singapore Take-overs Code is obtained. However, if the conditions for the waiver are no longer applicable, the Singapore Take-overs Code will be applicable to us. While the primary objective of the Singapore Take-overs Code is fair and equal treatment of all shareholders in a take-over or merger situation, its provisions may discourage or prevent certain types of transactions involving an actual or threatened change of control of our company. These legal requirements may impede or delay a take-over of our company by a third party, and thereby have a material adverse effect on the value of our shares. In addition, as the Notes are convertible into our ordinary shares, under the Singapore Take-overs Code (where the Singapore Take-overs Code may be applicable), if a take-over offer is made for the Maxeon shares, an appropriate offer or proposal has to be made to the holders of the Notes (so long as the Notes are outstanding) in accordance with the provisions of the Singapore Take-overs Code.

***Under Singapore law, our directors have general authority to allot and issue new shares on terms and conditions and with any preferences, rights or restrictions as may be determined by the Maxeon Board in its sole discretion.***

Under Singapore law, we may only allot and issue new shares with the prior approval of our shareholders in a general meeting. Subject to the general authority to allot and issue new shares provided by our shareholders, the provisions of the Singapore Companies Act and our Constitution, the Maxeon Board may allot and issue new shares on terms and conditions and with the rights (including preferential voting rights) and restrictions as they may think

fit to impose. The Maxeon Board has been given a general mandate to issue new shares by our shareholders in the last general meeting held on August 23, 2023 which will continue in force until the next general meeting is concluded. Any additional issuances of new shares by our directors may dilute our shareholders' percentage ownership interests in our shares and/or adversely impact the market price of our shares.

#### ITEM 4. INFORMATION ON THE COMPANY

##### 4.A. HISTORY AND DEVELOPMENT OF THE COMPANY

###### General Corporate Information

We are incorporated under the laws of Singapore in accordance with the Singapore Companies Act. We were formed by SunPower in connection with our separation from SunPower, for an unlimited duration, effective as of the date of our incorporation with ACRA on October 11, 2019. We were converted to a public company on the Distribution Date under the Singapore Companies Act under the name of "Maxeon Solar Technologies, Ltd." by way of a pro rata distribution of all of the then-issued and outstanding ordinary shares of Maxeon to holders of record of SunPower's common stock as of the close of business on August 17, 2020. As of the Distribution Date, Maxeon became an independent, public company and the Maxeon shares started trading on the NASDAQ Global Select Market under the symbol "MAXN".

We are domiciled in Singapore and our registered office is currently located at 8 Marina Boulevard #05-02, Marina Bay Financial Centre, 018981, Singapore, which also currently serves as our principal executive offices, and our telephone number is +65 6338 1888. Our agent for service of process in the United States is CSC Global and its address is 251 Little Falls Drive, Wilmington, Delaware 19808.

###### General Development of Business

On May 19, 2023, we completed an underwritten public offering of 7,490,000 ordinary shares (following the underwriters' exercise of the over-allotment option in full), which included 5,620,000 ordinary shares offered by Maxeon (the "Company Offering"), and 1,870,000.00 ordinary shares offered by an affiliated of TotalEnergies SE the "TotalEnergies Offering" and, together with the Company Offering, the "Offering"), each at a price per ordinary share of \$28.00 (the "Price Per Share").

In addition, on May 16, 2023, we sold to TZE SG, in a private placement exempt from the registration requirements of the Securities Act, and at a sale price equal to the Price Per Share, 1,500,000 ordinary shares for a total investment of \$42.0 million (the "2023 TZE Private Placement"). The net proceeds from the Company Offering and 2023 TZE Private Placement were approximately \$193.5 million after giving effect to the underwriting discounts and commissions, as well as other offering costs. The Company did not receive any proceeds from the TotalEnergies Offering. Refer to Note 1. *Background and Basis of Presentation* for more details.

On October 6, 2023, we completed the acquisition of certain assets from Complete Solaria, Inc. ("CSLR") pursuant to an Asset Purchase Agreement (the "Purchase Agreement") dated September 19, 2023 with SolarCA LLC, a subsidiary of CSLR ("SolarCA"), and CSLR. In connection with this acquisition, we issued SolarCA 1,100,000 ordinary shares, no par value, representing 2.08% of our outstanding shares as of acquisition date. See "*Significant Acquisitions, Dispositions and other Events*" for more details.

On November 13, 2023, we entered into the SunPower Settlement Agreement, pursuant to which, amongst other matters, certain product orders and deliveries under the 2022/2023 Supply Agreement were amended, the 2024/2025 Supply Agreement would terminate as of November 13, 2023, we were released from the obligation to supply certain of our products exclusively to SunPower starting March 31, 2024, and from the non-circumvention obligations under the 2022/2023 Supply Agreement starting January 1, 2024. Maxeon's delivery obligations under the SunPower Settlement Agreement have been met subsequent to fiscal year 2023 and we have received all the payments in connection to such deliveries.

###### Principal Capital Expenditures

Our capital expenditures amounted to \$67.5 million, \$63.3 million and \$154.2 million during fiscal years 2023, 2022 and 2021, respectively, primarily consisting of expenditures related to the expansion of our solar cell

manufacturing and assembly capacity as well as our technology conversions. Our manufacturing and assembly activities have required and will continue to require significant investment of capital and substantial engineering expenditures. Our capital expenditures, which are subject to obtaining necessary Board approval, are expected to be funded with cash from operations, financing, or other available sources of liquidity. We expect total capital expenditures ranging from \$70 million to \$100 million in fiscal year 2024. As of December 31, 2023, we had \$70.5 million of capital commitments. The capital expenditures mainly relate to the conversion of our legacy Maxis 3 capacity in the Philippines to Maxis 7 technology and equipment for manufacture of our Performance line products in Malaysia and Mexico. We continue to evaluate our planned investments in our next generation Maxis 8 technology, various programs to enhance our IT infrastructure and security, certain preparatory activities for our planned multi GW factory in the United States, as well as to support our Beyond the Panel offering.

#### **Significant Acquisitions, Dispositions and other Events**

On October 6, 2023, the Company issued 1,100,000 ordinary shares, no par value, to SolarCA LLC with respect to our acquisition of certain assets. Consequently, following the closing, SolarCA held 2.08% of the then Company's outstanding shares. The transaction met the definition of a business in accordance to ASC 805 and accordingly, this was accounted as a business combination. Transaction costs incurred to date were not material and were expensed as incurred. The financial results of SolarCA prior to the acquisition date are not material to the consolidated financial results of the Company. Refer to Note 18. Acquisition of Certain Assets for more details.

In addition, we have made significant investments in certain of our manufacturing facilities to enhance our production capabilities. For more information, see "Item 4.D. Property, Plants and Equipment—Major Facilities."

On April 26, 2024, the Company, through its subsidiary, SunPower Manufacturing Corporation Limited, entered into an equity transfer agreement with Zhonghuan Hong Kong Holding Limited, a subsidiary of TZE, Maxis's largest shareholder, for the sale of all of the Company's minority interest (approximately 16.27%) in HSPV, a joint venture established by SunPower Corporation, TZE and other former partner in 2016. Alongside with the divestiture, the Company also entered with HSPV and its affiliates a few agreements on the same date. Refer to Note 19. *Subsequent Event* for more details.

#### **More Information**

All inquiries to us should be directed at the address and telephone number of our principal executive office set forth above. Our website is <https://www.maxeon.com/>. The information contained on or accessible through our website does not form part of this annual report. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers, such as we, that file electronically, with the SEC at [www.sec.gov](http://www.sec.gov).

### **4.B. BUSINESS OVERVIEW**

#### **Overview**

Maxeon is one of the world's leading global manufacturers and marketers of premium solar power technology. We have developed and maintained this leadership position through decades of technological innovation and investment, in addition to the development of sales and distribution channels across six continents. Headquartered in Singapore, we manufacture our solar cells in Malaysia and the Philippines, assemble solar cells into panels in Mexico and Malaysia and sell our products and those supplied by third parties and our former joint venture, HSPV, across more than 100 countries.

#### **Our Markets**

Solar has become one of the fastest growing renewable energy sources over the last few decades. According to a report from Wood Mackenzie dated November 2023, through effective investments and projects, the solar market has achieved almost 1,600 GW of global installed capacity as of 2023, representing a compound annual growth rate of 31% since 2009.



As solar technology has developed, manufacturing costs have declined and performance has improved. Today, solar power, together with enhanced balance of system technology, has among the lowest levelized cost of energy (“LCOE”) of all major energy sources.

In the long term, market growth is expected to continue and even accelerate. According to a November 30, 2022 report by Bloomberg New Energy Finance (“BNEF”), by 2050, solar technology is expected to represent from 28% (net zero scenario) to 29% (economic transition scenario) of global electricity generation, with a balanced distribution among key regions worldwide—a significant increase compared to its current penetration of approximately 6% of global generation.

We believe the following factors have driven and will continue to drive demand in the global solar power industry, including demand for our products:

- solar generation costs have fallen to the point where solar power is one of the lowest-cost electricity sources on an LCOE basis in certain regions and is even considered by BNEF to be the lowest cost source in countries such as India, Australia, Mexico, Germany, France, or Spain;
- renewable energy is one of the most relevant topics and targets of government incentives and policies as a result of increased concerns regarding climate changes;
- solar power is at the center of public discussion, which helps to grow public awareness of its advantages, such as peak energy generation, significantly smaller fuel and supply chain risk, sustainability from an environmental perspective, scalability and reliability;
- structural limitations for fossil fuel supply and issues around energy security increasing the long-term demand for alternative sources of energy;
- significant secular increase in electricity demand; and
- solar energy as a viable option to generate energy in developing countries, rural areas, and regions without indigenous fuel resources.

## **Our Business**

We are one of the world’s leading global manufacturers and marketers of premium solar technology. We have developed and maintained this leadership position through decades of technological innovation and investment, in addition to the development of sales and distribution channels supplying customers in more than 100 countries on six continents. We own and operate solar cell and panel manufacturing facilities located in Malaysia, Mexico and the Philippines and purchase solar panels from HSPV, our former joint venture for panel manufacturing in China with TZE, and others. During fiscal year 2023, 57.4% of our revenue was attributable to the United States, 34.3% to EMEA, 7.5% to Asia Pacific and 0.8% to other markets.

Our primary products are the Maxeon line of IBC solar cells and panels, and the Performance line of shingled solar cells and panels. We believe the Maxeon line of solar panels are the highest-efficiency solar panels on the market with an aesthetically pleasing design, and the Performance line of solar panels offers a high-value and cost-effective solution. The Maxeon line is primarily targeted at residential and small-scale commercial customers across the globe. The Performance line was initially targeted at the large-scale commercial and utility-scale power plant markets, but has proven to be attractive to our customers in the residential distributed generation (which we refer to as “DG”) markets as well. During fiscal year 2023, 37.9% of our revenue was attributable to products in our Maxeon line and the other 62.1% was attributable to products in our Performance line. 63.0% of our revenue was attributable to DG applications and 37.0% attributable to power plant applications.

Our proprietary technology platforms, including the Maxeon line and Performance line, target distinct market segments, serving both the DG and power plant markets. This ability to address the full market spectrum allows us to benefit from a range of diverse industry drivers and retain a balanced and diversified customer base.

We believe that our Maxeon line of IBC technology stands apart from the competition in key categories which our customers value, including product efficiency, energy yield, reliability, safety and aesthetics. We believe the combination of these characteristics enables the delivery of an unparalleled product and value proposition to our customers. Our Maxeon line products use a unique cell architecture and advanced module materials to deliver approximately 20% more energy in any given amount of roof space over the first 25 years, as compared to conventional front-contact mono-PERC panels, and come with a leading warranty in the industry.

Our Performance line technology is designed to deliver higher performance compared with conventional panels. This is possible due to several patented features and improvements we have employed in our product. Some of the main differentiators from the competition for our shingled design is that in our design, standard mono-PERC cells are interconnected using electrically conductive adhesive instead of soldered metal ribbons. This technique greatly improves long-term durability, increases efficiency from reduced electrical resistance and less inactive white space between cells, and – when combined with novel electrical bussing – improves shade performance. In addition, our Performance line’s robust shingled cells and advanced encapsulant are highly resistant to thermal stresses, humidity, light and temperature-induced degradation and potential-induced degradation.

We began manufacturing our high efficiency bifacial Performance line solar panels for the United States large-scale commercial and utility-scale power plant markets through conversion of our Malaysia and Mexico facilities in fiscal year 2022. As of December 31, 2023, our cumulative bookings to supply our Performance line solar panels for the United States large-scale commercial and utility-scale power plant markets is 2.9 GW extending into 2026. In addition, one of our customers has the option, secured with a deposit, to purchase an additional 1.5 GW through 2027.

Since 2020, we introduced an AC version of our Maxeon product to the international marketplace. These modules combine a microinverter with the module to create an integrated unit that is ready to connect to the low voltage power grid. These “AC modules” provide significant installation and energy production advantages versus traditional systems and allow us to capture an additional portion of the value of a solar installation. In 2021, we introduced an AC version of our Performance line to compliment the AC version of our Maxeon line. Since the introduction, there has been increasing demand for these AC modules.

Our new Maxeon Air™ technology platform enables the production of Maxeon Air solar panels, which are conformable, ultra-light, robust and fire-certified panels that can be adhered directly to the roof without the need for racking or other mounting systems. Maxeon Air panels were tested during the first half of 2022 with selected membrane suppliers and were initially scheduled to be available at the beginning of fiscal year 2023, but as part of our focus on operational efficiency, driven by unfavorable market conditions that impacted the entire industry, Maxeon Air’s availability was shifted to 2024.

In May 2022, we introduced SunPower One, an integrated ecosystem of clean energy products and services that builds on our industry-leading panels and leverages our global distribution channels. As part of the initial launch of SunPower One, we announced a battery storage system, SunPower Reserve, an electric vehicle charger, SunPower Drive, and a consumer experience that helps homeowners better understand and manage their photovoltaic battery, and EV charging devices, view detailed information on their energy consumption, and receive personalized tips on how to maximize the most savings from their investment. The roll-out of SunPower Reserve commenced in 2023.

### **Our Strengths**

We believe the following strengths of our business distinguish us from our competitors, enhance our leadership position in our industry and position us to capitalize on the expected continued growth in our market:

- *Leading provider of premium solar technology.* Our established leadership position in solar technology is grounded in over 35 years of experience. Over that time, our solar technology has been awarded over 1,600 patents. We have also made substantial investments in research and development, having invested approximately \$639 million since 2007 which is more than any other crystalline panel manufacturer. Together, these factors have allowed us to create truly differentiated products which have maintained

approximately 20% relative lifetime energy density advantage over the industry average solar panel efficiency since 2012.

- *Established differentiated sales, marketing, and distribution channels in each of our key markets.* We have built relationships with dealer/installers and distributors globally to ensure reliable distribution channels for our products. As examples, we have over 750 sales and installation partners in the Asia Pacific region, over 1,000 in the Europe, Middle East and Africa region, and over 50 in Latin America. In North America, we have historically distributed our product through SunPower. Please see “Item 7.B *Related Party Transactions*”. In fiscal year 2023, we acquired certain sales channel assets of SolarCA that allowed us to have direct access to sales and installation partners in the United States. Please see “Note 18. *Acquisition of Certain Assets*”.
- *Well-positioned to capture growth across solar markets.* We believe solar growth will be driven by strong expansion in both DG and power plant applications. Over the past four years we grew our total MW deployed by a multiple of approximately two in EU DG markets and Australia. We also believe that our technology, with superior efficiency and lower degradation rates, provides significant advantages to customers in the DG markets.
- *Unique cutting-edge innovative technology.* Our Maxeon 3 and Maxeon 6 panels have among the highest rated efficiencies of panels currently in commercial production. We also believe that our current technology stands apart from the competition on every meaningful performance metric, including efficiency, energy yield, reliability and aesthetics. Additionally, our Performance line shingled cell technology delivers up to 5% more energy compared to conventional panels, allowing us to achieve a diverse sales base across both DG and the utility power plant markets.
- *Strategic partnerships with top tier companies worldwide.* We seek to have strategic partnerships across the business chain, as exemplified by our relationship with TZE, which provides valuable connections in Asia’s supply chain and distribution channels, as well as research and development collaboration between companies pushing the technological frontier.
- *Unmatched investment in research and development, translating into next-generation leading products.* Our superior technology has been key to our leadership position. Through efficient, disciplined and business-oriented investments, we were able to develop patent-protected technology which we expect to leverage in our next-generation products. Our Maxeon 7 panels are expected to achieve an even higher efficiency while allowing for reduced costs given their significantly simplified manufacturing process. We expect this next-generation solar panel to achieve superior performance at reduced costs, unlocking mass market adoption and commercialization through multiple pathways.
- *Experienced management team.* We have a strong and experienced management team with significant experience in the solar and semiconductor sectors complemented by expertise in technology and product innovation.

## **Our Strategy**

We are strategically positioned to deploy advanced solar technologies at scale. We draw on over 35 years of technology innovation around high-performance solar products and have well-established global channels available to market our products. Our primary focus includes:

- *Commercializing Maxeon 7 Technology.* Maxeon 7 is the latest in a series of innovative IBC product technologies developed by Maxeon (and our predecessor company SunPower) over the past 20 years. We believe that Maxeon 7 and future technologies based on this innovative new cell architecture will offer higher performance levels than our current IBC products. We have been operating a pilot line in our Philippines cell manufacturing facility for over a year to demonstrate process control and product performance. To reduce capital expenditure requirements for Maxeon 7 capacity, we are retrofitting our existing lines for the manufacture of Maxeon 7 products at one of our Philippines cell manufacturing facilities.

- *Enhancing our access to the low-cost Asia-centric supply chain and expanding our global channels to market.* We benefit from our strategic partner TZE's knowledge of and access to the upstream supply markets and distribution channels in Asia. In addition, we leverage access to TZE's silicon wafers for our Performance line technologies.
- *Addressing the United States solar market with Performance Line.* We have completed the ramp up our expanded solar cell and module capacity in our Malaysia and Mexico facilities manufacturing Performance line shingled module technology for use in the United States market.
- *Expanding our manufacturing footprint into the United States.* We have announced plans to build a multi-GW factory in the United States to primarily supply the utility-scale power plant market, contingent upon us securing the necessary funding and other factors beyond our control.
- *Leveraging our established distributed generation channels to drive continued growth.* As a leading DG player, we have a robust sales and marketing platform to access key markets around the world. The expansion of this network is a vital element for future growth, as is the inclusion of additional product lines such as AC modules which expand our share of wallet with our existing channel partners.
- *Adding value "Beyond the Panel" for increased revenue and margin.* Our strong channels to market in the DG business offer an opportunity for Moxon to bundle adjacent products together with our panel sales. We have added microinverters to certain of our panels for sale, and are further expanding our product portfolio to include battery storage systems, EV chargers and customer focused services.
- *Enhancing our financial performance through our superior technology, manufacturing processes and strategy.* We believe we have the ability to translate our superior technology into strong financial returns as we couple our premium average selling prices with enhanced manufacturing processes and a scalable low-cost footprint, resulting in expanding margins and cash generation. In addition, we have begun monetizing our investments in our intellectual property through licensing arrangements, and will from time-to-time seek opportunities to monetize this further to enhance our financial performance.

With our corporate headquarters in Singapore and existing manufacturing facilities in Malaysia and the Philippines, we believe our significant Asian presence will help strengthen relationships and sourcing arrangements across our supply chain. We have added Performance line capacity to our own manufacturing facilities in Malaysia and Mexico and had previously converted our Malaysia manufacturing facility to produce our Moxon 6 modules which we will cease producing in fiscal year 2024. We are supplied with Performance line panels through HSPV. As of December 31, 2023, we had 1.8 GW of Performance line cell capacity in operation, and contractual access to over 11.7 GW of Performance line supply from HSPV.

## **Our Industry**

The solar power industry manufactures and deploys solar panels and systems across a range of end-use applications. With estimated 2023 annual shipment volumes of 358 GW to 386 GW according to Q4'23 PV Installations Tracker from S&P Global and Wood Mackenzie Global Solar Outlook - Q4 2023, solar power comprises the largest fraction of newly installed global electric power generation equipment. The two primary application segments are DG, mainly for residential and commercial rooftops systems, and utility-scale for large ground-mounted power generation systems. During 2023, total industry shipment volume mix was approximately 39% DG and 61% utility-scale according to Q4 '2023 PV Installations Tracker from S&P Global compiled on December 1, 2023.

The market for electric generation products is heavily influenced by national, state/provincial and local government laws, regulations and policies concerning the electric utility industry globally, as well as policies promulgated by electric utilities. The market for electric generation equipment is also influenced by trade and local content laws, regulations and policies. In addition, on-grid applications depend on access to the grid, which is also regulated by government entities.

## **Our Products**

### **Maxeon Solar Panels**

Maxeon offers a comprehensive panel portfolio ensuring maximum flexibility to address all customers' energy needs. Our flagship Maxeon solar panels are the highest efficiency panels available on the market and deliver maximum energy production and unmatched reliability, while providing leading environmental sustainability and aesthetics.

Maxeon panels lead the solar industry in panel efficiency and deliver more savings by generating the most solar energy in a given amount of roof space. Over time, the advantage grows, because Maxeon panels also have the lowest degradation rate in the solar industry. While third party studies show that most standard panels tend to degrade around 0.7% per year, Maxeon panels degrade at a significantly lower rate of 0.2% per year. To translate into real results – that means a Maxeon panel delivers approximately 20% more energy from the same footprint as standard panels over the first 25 years. When combined with our 40-year warranty period for certain products, which is the industry's longest warranty, that advantage grows to 80% more guaranteed energy over the lifetime of the system. In addition, based on third party reliability validation by PV Evolution Labs, Maxeon panels are one of the top performers. The reliability test subjected solar panels to various weather condition conditions, including but not limited to temperature change, damp heat and wind pressure.

The innovation behind Maxeon panels is protected by patents globally covering cell and panel design, as well as key manufacturing tools and processes. Maxeon panels feature a unique ribbon-less back-contact cell structure utilizing a metal foundation that minimizes the impact of climatic stresses as well as shading and cell cracks. Through this, Maxeon panels produce up to 30% more energy under shaded conditions from the same footprint as standard panels over their first 25 years and are not reliant on a bypass diode in the junction box to prevent hotspots – the cells are intrinsically resistant to the formation of hotspots. When Maxeon back-contact cells are cracked from impacts, the metal foundation maintains electrical connections to any broken sections, maintaining module power. The lower risk is conveyed to our customers through a leading panel warranty which, unlike most conventional warranties, is based on actual field-testing data. The power warranty guarantees no more than 0.25% per year power drop – the lowest rate in the solar industry. Field data shows that only 0.005% or 1 in 20,000 Maxeon panels have been returned under warranty for fiscal year 2023.

Maxeon has pioneered sustainability efforts in solar manufacturing, and our Maxeon panels have been recognized with the prestigious Cradle to Cradle Certified™ designation for DC panels. The Cradle to Cradle designation demonstrates the products' quality based on rankings of material health, material reutilization, renewable energy use, water stewardship, and social fairness. Maxeon discloses its ingredients through the Declare label – available for all Maxeon panels.

Finally, the back-contact cell design of Maxeon panels provides an uncluttered and elegant design aesthetic – with panels available in black and white backsheets. This has made Maxeon panels the panel of choice for architects and designers for decades.

Our Maxeon 6 technology, utilizes a similar design to our Maxeon 3 technology but with larger silicon wafers, further increasing solar cell power. In fiscal year 2022, we completed the conversion of our manufacturing capacity in our Fab 3 Malaysia facility from Maxeon 5 to Maxeon 6 production. This resulted in close to 500 MW of Maxeon 6 production capacity. In fiscal year 2023, following our decision to re-engineer our IBC manufacturing capacity, we started to convert our legacy Maxeon 3 manufacturing capacity in the Philippines to Maxeon 7 technology and continue our investment in the development of our next generation Maxeon 8 technology. At the same time, with entering into the SunPower Settlement Agreement resulting in the termination of the MSAs, the Company ceased Maxeon 6 production in our Malaysia manufacturing facility. As a result of such activities, our IBC cell manufacturing and module assembly capacity has been consolidated in The Philippines and Mexico, respectively.

### **Performance Solar Panels**

Our Performance line of solar panels utilizes high efficiency mono-PERC cells to deliver higher reliability and efficiency than conventional panels. With more than 25 GW deployed across more than 80 countries to date, Performance line solar panels are the industry's most deployed shingled cell panel technology.

The innovation behind Performance line solar panels is protected by patents in the U.S. and foreign jurisdictions covering cell and panel designs, as well as key manufacturing tools and processes. These products utilize a proprietary manufacturing process to assemble conventional silicon solar cells into panels with increased energy yield and reliability compared with conventional panels. Similar to Maxeon panels, the cell interconnects used in conventional panels are designed to provide high reliability. The unique inter-cell bussing is robust under shading and cell cracking stresses, to maximize energy production and lifetime reliability.

Performance line solar panels are produced by HSPV, an Yixing, China based company which is our former joint venture with TZE. On April 26, 2024, we entered into an equity transfer agreement to sell our 16.3% equity stake to the joint venture to TZE. HSPV currently has a capacity to supply approximately 18 GW per year of Performance line solar panels. On April 26, 2024, we entered into a new master supply agreement (the “2024 HSPV Master Supply Agreement”), pursuant to which HSPV and its affiliates will exclusively supply us with rooftop size Performance line solar modules that meet certain criteria. In 2023, we continued to deliver Performance line solar panels from our facility in Mexico, which has a capacity of 1.8 GW. We have announced plans to build a multi-GW factory in the United States to primarily supply the utility-scale power plant market, contingent upon us securing the necessary funding and other factors beyond our control.

In late 2020 we introduced a new line of Maxeon AC Modules and, in 2021, Performance line AC Modules, for sale in Europe and Australia. These AC modules are built based on prior experiences from shipping AC modules for sale in the United States since 2012. These products are versions of our DC panels with factory-attached microinverters. These modules integrate an inverter with each PV module in a controlled factory environment, creating a single unit that is ready to connect to the low voltage power grid. AC Modules provide significant installation and energy production advantages versus traditional systems and allow us to capture an additional portion of the value of a solar installation.

We generally provide a 25-year warranty for the solar panels that we manufacture for defects in materials and workmanship and for greater than promised declines in power performance, subject to certain conditions. Effective from January 1, 2022, this has been extended to a 40-year warranty for certain Maxeon line modules in certain countries. Conventional panels generally provide 10-12 years of product warranty coverage, exposing claimants to potential issues making claims after the product warranty has expired; but, before the power warranty has expired. We generally provide a power warranty guaranteeing a certain minimum level of power output over time. Our warranty for Maxeon panels leads the industry with 0.25 percent per year maximum degradation, while our warranty for Performance line panels provides 0.45 percent per year. The warranty provides that we will elect to either (a) repair; (b) replace; or (c) refund the customer based on the computation stipulated in the warranty agreement.

#### **Beyond the Panel**

In 2022, we introduced SunPower One, an integrated ecosystem of clean energy products and services that builds on our industry-leading panels and leverages our global distribution channels. As part of the initial launch of SunPower One, we announced a battery storage system, SunPower Reserve, an electric vehicle charger, SunPower Drive, and a consumer experience that helps homeowners better understand and manage their photovoltaic battery and EV charging devices, view detailed information on their energy consumption, and receive personalized tips on how to maximize the savings from their investment. The roll-out of SunPower Reserve commenced in 2023.

#### **Principal Markets**

During fiscal year 2023, 57.4% of our revenue was attributable to North America, 34.3% to EMEA, 7.5% to Asia Pacific and 0.8% to other markets.

The Maxeon line, which includes our Maxeon 3, Maxeon 6 and will include, our Maxeon 7 and Maxeon 8 solar panels, is primarily targeted at residential and commercial customers across the globe. The Performance line was initially targeted at the large-scale commercial and utility-scale power plant markets, but has proven to be attractive to our customers in the DG markets as well.

Please see “Item 5.A. Operating Results—Trends and Uncertainties” for trends and uncertainties information.

## **Research and Development**

We engage in extensive research and development efforts to improve solar cell efficiency and solar panel performance through the enhancement of our existing products, development of new techniques, and reductions in manufacturing cost and complexity. Our research and development group works closely with our manufacturing facilities, equipment suppliers and customers to improve solar cell design and to lower solar cell, solar panel and system product manufacturing and assembly costs.

In addition, we work closely with our current and potential suppliers of crystalline silicon, a key raw material used in the manufacture of solar cells, to develop specifications that meet our standards and ensure high quality while at the same time controlling costs. In 2022, in addition to our research and development team in Singapore, we established our own Silicon Valley research and development lab. As part of the cost reduction initiatives, the Company has ceased the research and development function in Singapore in fiscal year 2024 and consolidated the related work to Silicon Valley.

## **Manufacturing and Supplies**

### *Manufacturing*

We currently operate solar cell manufacturing facilities in the Philippines and Malaysia and solar module assembly facilities in Mexico. We regularly evaluate our manufacturing capabilities in support of anticipated demand for our products and from time to time may determine to upgrade and expand, relocate or to shut down one or more facilities as opportunities to streamline our manufacturing operations become apparent.

As part of the solar panel manufacturing process, polysilicon is melted and grown into crystalline ingots and sliced into wafers by business partners specializing in those processes. The wafers are processed into solar cells in our manufacturing facilities located in the Philippines and Malaysia.

Prior to the decision to re-engineer our IBC manufacturing capacity in fiscal 2023, the Maxeon 3 solar cell manufacturing facility that we own and operate in the Philippines has an annual capacity of approximately 560 MW. Our Fab 3 Malaysia facility had a solar cell production capacity of close to 500 MW of Maxeon 6 following the conversion from Maxeon 5 to Maxeon 6 in 2022. Following such plan, we started to convert our legacy Maxeon 3 manufacturing capacity in the Philippines to Maxeon 7 technology and continue our investment in the development of our next generation Maxeon 8 technology. At the same time, with entering into the SunPower Settlement Agreement resulting in the termination of the MSAs, the Company ceased Maxeon 6 production in our Malaysia manufacturing facility. As a result of such activities, our IBC cell manufacturing and module assembly capacity has been consolidated in The Philippines and Mexico, respectively.

We have completed our production capacity ramp of mono-PERC solar cells to 1.8 GW during fiscal year 2023. We have also announced plans to deploy a multi-GW factory in the United States to manufacture solar products primarily for the utility-scale power plant market, contingent upon us securing the necessary funding and other factors beyond our control.

### *Supplies*

We source the materials and components for our solar cells and panels both internally and from third-party suppliers based on quality, performance, and cost considerations. We typically assemble proprietary components, while we purchase generally available components from third-party suppliers. In a few cases, proprietary components are only available from a sole supplier. While we secure supply of these specific components, we may face production disruptions if the supplier is not fulfilling its obligations, and adoption of new tariffs between different countries may negatively affect the cost of some materials.

We purchase a portion of our Performance line solar panels from HSPV which currently has capacity to supply approximately 18 GW of Performance line solar panels. On April 26, 2024, we entered into the 2024 HSPV Master Supply Agreement, pursuant to which HSPV and its affiliates will exclusively supply us with rooftop size Performance line solar modules that meet certain criteria.

We purchase wafers and, prior to the expiration of the long-term fixed supply agreement for polysilicon in fiscal year 2022, we also purchased polysilicon from various manufacturers on both a contracted and a purchase order basis. We work with our suppliers and partners along all steps of the value chain to reduce costs by improving manufacturing technologies and expanding economies of scale. Crystalline silicon is the principal commercial material for solar cells and is used in several forms, including single-crystalline, or monocrystalline silicon, multi-crystalline, or polycrystalline silicon, ribbon and sheet silicon, and thin-layer silicon.

Silicon wafers are a critical raw material used in the production of our photovoltaic products. To maintain competitive manufacturing operations, we depend on our suppliers to timely deliver polysilicon in sufficient quantities and of appropriate quality. See “Risk Factors - Risks Related To Our Operations - A disruption in our supply chain for silicon wafers could interrupt or impair our ability to manufacture solar cells and modules, including for the United States market, and could prevent us from delivering our products to our customers within required timeframes and could in turn result in sales and installation delays, cancellations, penalty payments, and loss of market share.”

On November 16, 2021, we entered into a silicon wafer master supply agreement with TZE HK, a subsidiary of TZE for the purchase of P-Type G12 wafers which are intended to be incorporated into the Company’s Performance line modules planned for manufacture in Malaysia and Mexico and sale into the United States. The Company expects TZE HK to be its primary wafer supplier for Performance line modules and deliveries commenced in 2022. Deposit arrangements, payment terms and pricing mechanisms will be agreed to with TZE HK for the Company to reserve specified volumes in advance. The master supply agreement also sets out a general framework and customary operational and legal terms which govern the purchases of silicon wafer from TZE by the Company and its subsidiaries, including engineering changes, supply chain management, inspection, representations and warranties and legal compliance. We have entered into various addendums to the master supply agreement, pursuant to which TZE HK has and will supply us with wafers to meet our volume requirements.

As of December 31, 2023, future purchase obligations under our long-term fixed supply agreements for silicon wafers totaled \$115.4 million and related advance payment obligations to a supplier of \$2.4 million was paid in January 2024. See “Note 9. *Commitments and Contingencies*” for outstanding future purchase commitments.

For more information about risks related to our supply chain and risks related to the Maxeon Business generally, see “Item 3.D. Risk Factors”.

### **Intellectual Property**

We rely on a combination of patent, copyright, trade secret, trademark, and contractual protections to establish and protect our proprietary rights. We typically require our business partners to enter into confidentiality and non-disclosure agreements before we disclose any sensitive aspects of our solar cells, technology, or business plans. We typically enter into proprietary information agreements with employees, consultants, vendors, customers, and joint venture partners.

We own multiple patents and patent applications that cover aspects of the technology in the solar cells and panels that we currently manufacture and market. We continue to file for and receive new patent rights on a regular basis. The lifetime of a utility patent typically extends for 20 years from the date of filing with the relevant government authority. We assess appropriate opportunities for patent protection of those aspects of our technology, designs, methodologies, and processes that we believe provide significant competitive advantages to us, and for licensing opportunities of new technologies relevant to our business. As of December 31, 2023, we held 1,614 patents and 358 pending patent applications across all jurisdictions including the United States. While patents are an important element of our intellectual property strategy, our business as a whole is not dependent on any one patent or any single pending patent application. We additionally rely on trade secret rights to protect our proprietary information and know-how. We employ proprietary processes and customized equipment in our manufacturing facilities. We therefore require employees and consultants to enter into confidentiality agreements to protect them.

When appropriate, we enforce our intellectual property rights against other parties. For more information about risks related to our intellectual property, see “Item 3.D. Risk Factors.”



## Competition

The market for solar electric power technologies is competitive and continually evolving, resulting in price reductions in the market and reduced margins which may continue and could lead to loss of market share. For example, in the second half of 2023, the global solar panel market experienced an oversupply of products, depressing selling prices and putting downward pressure on profit margins. Our solar power products and systems compete with many competitors in the solar power market, including, but not limited to: Canadian Solar Inc., First Solar Inc., Hanwha QCELLS Corporation, JA Solar Holdings Co., Jinko Solar, LONGi Solar, REC Solar, Risen Energy and Trina Solar Ltd.

In addition, universities, research institutions, and other companies have brought to market alternative technologies, such as thin-film solar technology, which compete with our photovoltaic technology in certain applications. Furthermore, the solar power market in general competes with other energy providers such as electricity produced from conventional fossil fuels supplied by utilities and other sources of renewable energy, including wind, hydro, biomass, solar thermal, and emerging DG technologies such as micro-turbines, sterling engines and fuel cells.

In the large-scale on-grid solar power systems market, we face direct competition from a number of companies, including those that manufacture, distribute, or install solar power systems as well as construction companies that have expanded into the renewable sector. In addition, we will occasionally compete with DG equipment suppliers.

We believe that the key competitive factors in the market for solar power systems include:

- total system price;
- LCOE evaluation;
- customer cost of energy evaluation;
- sunlight to electricity conversion efficiency and energy yield;
- aesthetic appearance of solar panels and systems;
- interface with standard mounting systems;
- strength of distribution relationships;
- commercial payment terms;
- established sales channels to customers;
- timeliness of new product introductions; and
- warranty protection, quality, and customer service.

We believe that we can compete favorably with respect to each of these elements, although we may be at a disadvantage in comparison to larger companies with broader product lines, greater technical service and support capabilities, and financial resources. See “Item 3.D. Risk Factors” for more details.

## Seasonality

See “Item 5.A. Operating Results” for more details.

## **Government Regulation**

### ***Public Policy Considerations***

Different public policy mechanisms have been used by governments to accelerate the adoption and use of solar power. Examples of customer-focused financial mechanisms include capital cost rebates, performance-based incentives, feed-in tariffs, tax credits, renewable portfolio standards, net metering, and carbon regulations. Some of these government mandates and economic incentives are scheduled to be reduced or to expire, or could be eliminated altogether. Capital cost rebates provide funds to customers based on the cost and size of a customer's solar power system. Performance-based incentives provide funding to a customer based on the energy produced by their solar power system. Feed-in tariffs pay customers for solar power system generation based on energy produced, at a rate generally guaranteed for a period of time. Tax credits reduce a customer's taxes at the time the taxes are due. Renewable portfolio standards mandate that a certain percentage of electricity delivered to customers come from eligible renewable energy resources. Net metering allows customers to deliver to the electric grid any excess electricity produced by their on-site solar power systems, and to be credited for that excess electricity at or near the full retail price of electricity. Carbon regulations, including cap-and-trade and carbon pricing programs, increase the cost of fossil fuels, which release climate-altering carbon dioxide and other greenhouse gas emissions during combustion.

In addition to the mechanisms described above, it should be noted the United Nations has adopted Sustainable Development Goals ("SDGs"), which are being promoted by governments, corporations and civil society. Achieving several of the SDGs requires mass adoption of clean energy by 2030 and this is driving government policies. In Europe, for instance, the European Commission has harmonized its target date with the SDGs and mandated that its member states adopt integrated national climate and energy plans aimed at increasing their renewable energy targets to be achieved by 2030. At the latest United Nations Climate Change Conference (COP28) in 2023, the parties agreed to accelerate the reduction of emissions and transition away from fossil fuels by 2030. These developments could benefit the deployment of solar.

### ***Environmental Regulations***

We use, generate, and discharge toxic, volatile, or otherwise hazardous chemicals and wastes in our research and development, manufacturing, and construction activities. We are subject to a variety of laws and regulations related to the purchase, storage, use, and disposal of hazardous materials in jurisdictions where we operate. We believe that we have all environmental permits necessary to conduct our business and expect to obtain all necessary environmental permits for future activities. We believe that we have properly handled our hazardous materials and wastes and have appropriately remediated any contamination at any of our premises. For more information about risks related to environmental regulations, see "Item 3.D. Risk Factors."

### **Legal Proceedings**

We are a party to various litigation matters and claims that arise from time to time in the ordinary course of our business. While we believe the ultimate outcome of such matters will not have a material adverse effect on us, the outcomes of these litigation matters are not determinable and negative outcomes may adversely affect our financial position, liquidity, or results of operations.

In addition, in connection with the separation, we entered into a Separation and Distribution Agreement with SunPower on November 8, 2019 pursuant to which SunPower has agreed to indemnify us for certain litigation claims in which we or one of our subsidiaries is named as a defendant or party (the "Separation and Distribution Agreement"). While we expect to suffer no material financial liability because these matters are indemnified, it may drain our resources to cooperate with SunPower to defend these claims and our reputation with key stakeholders may be affected.

#### 4.C. ORGANIZATIONAL STRUCTURE

##### Organizational Structure

Following the Spin-off, we are a separate, standalone company independent of SunPower. SunPower does not retain any ownership interest in us. See “Item 4.A. History and Development of the Company” for additional information.

##### Significant Subsidiaries

Below is a list of our significant subsidiaries as of December 31, 2023:

<b>Name</b>	<b>Country of Incorporation</b>	<b>% of Equity Interest</b>
Maxeon Solar Pte. Ltd	Singapore	100
SunPower Malaysia Manufacturing Sdn. Bhd.	Malaysia	100
SunPower Systems Sarl	Switzerland	100
Maxeon Americas, Inc.	United States	100
SunPower Philippines Manufacturing Ltd.	Cayman Islands	100

#### 4.D. PROPERTY, PLANTS AND EQUIPMENT

Our corporate headquarters is located in Singapore. The principal office for our international operations, which is also our registered office, is located in Singapore.

To ensure that we have sufficient manufacturing capacity to meet future production needs, we regularly review the capacity and utilization of our manufacturing facilities. The Malaysia Atomic Energy Licensing Board, Malaysian Investment Development Authority, Malaysia Department of Environment, Department of Occupational Safety & Health, Fire and Rescue Department of Malaysia, Mexico Secretaria de Proteccion al Ambiente, Philippines Department of Environment and Natural Resources, Laguna Lake Development Authority, PEZA, Philippines Department of Health/Food and Drugs Authority, European Agency for Safety and Health at Work and other regulatory agencies regulate the approval for use of manufacturing facilities for photovoltaic products and equipment, and compliance with these regulations may require a substantial amount of validation time prior to start-up and approval. Accordingly, it is important to our business that we plan ahead to ensure we have sufficient manufacturing capacity to meet our future production needs.

## Major Facilities

The following table sets forth our most significant facilities as of December 31, 2023:

Location	Size of Site (in square feet)	Held	Lease Term	Major Activity
France	27,000	Owned	NA	Global support office
Malaysia	883,000	Owned	NA	Solar cell manufacturing and module assembly facility
Mexico	186,000	Leased	2027	Solar module assembly facility
Mexico	320,000	Leased	2026	Solar module assembly facility
Mexico	124,000	Leased	2027	Storage facility
Philippines	641,000	Owned	NA	Former solar cell manufacturing facility
Philippines	118,000	Owned	NA	Former solar module assembly facility
Philippines	163,000	Leased	2024	Solar cell manufacturing support and storage facility
Philippines	389,000	Owned	NA	Solar cell manufacturing facility
Philippines	65,000	Owned	NA	Global support offices
Singapore	37,000	Leased	2025	Global support offices and research and development facility
Singapore	8,500	Leased	2029	Global headquarters office
United States	60,500	Leased	2027	Executive office and research and development facility

On August 8, 2023, the Company entered into a purchase agreement with MDS Investments LLC (“MDS”) for the purchase of approximately 160 acres of land in Albuquerque, New Mexico (the “New Mexico Agreement”). It is anticipated that the land will serve as the site for the Company’s planned 3.5 gigawatt solar cell and module manufacturing facility. In addition to the 160-acre purchase tract (the “Purchase Tract”), the New Mexico Agreement also grants the Company option rights to purchase up to three additional parcels totaling approximately 265 acres. This additional acreage may be used by the Company to further expand its US-based manufacturing capacity or it may be used by the Company’s supply chain vendors to domicile production of solar module components. As of December 31, 2023, the Company has recorded \$0.9 million relating to the deposits for the purchase of the Albuquerque land in “Other long-term assets” in our Consolidated Balance Sheets.

We believe that we have satisfactory title to our plants and facilities in accordance with standards generally accepted in our industry. We believe that all of our current production facilities are in good operating condition.

For information concerning our material plans to the facilities, see “Item 4.A. History and Development of the Company—Principal Capital Expenditures”.

## Environmental, Social and Governance (“ESG”) Matters

We integrate core values of ESG into our business strategy to protect the environment, to add value to the business, manage risk and enhance our reputation. As a leader in the solar industry, we believe that setting a high standard for the entire solar industry is essential in protecting the environment and setting a high standard for the rights of workers. We intend to make a meaningful and positive impact on the environment, for the communities we serve, the energy industry, our stakeholders (including our workers) and beyond. Our sustainability approach is grounded in our purpose of Powering Positive Change. In 2023, we were honored to be ranked among the top 50 of the Corporate Knights Top 100 Most Sustainable Corporations 2023 and were also awarded the Singapore Apex Sustainability Award 2023 (Sustainable Business category). We released our second Modern Slavery Statement and released our third annual Sustainability Report with new reporting climate-related risks and opportunities disclosures aligned to Task Force on Climate-related Financial Disclosures (“TCFD”), which is available on our website at <https://www.maxon.com/>, prepared in accordance to the Global Reporting Initiative (“GRI”) Sustainability Reporting Standards, Core option, aligned to the Sustainability Accounting Standards Board (“SASB”), Singapore Exchange (“SGX”) Sustainability Reporting requirement, the United Nations Sustainable Development Goals and

TCFD. These reports are available on our website but the information contained in these reports on or accessible through our website does not form part of this annual report.

Our ESG strategy centers around three main pillars, namely environmental, social and governance, across 14 key material topics divided across each of these three pillars that were identified in an assessment conducted among our stakeholders.

### **Environmental**

As a testament to our commitment to producing solar panels that are as sustainable as the energy they produce, our SunPower Maxeon solar panels have been Cradle to Cradle certified since 2014 and achieved Cradle to Cradle Silver in 2022 for our Maxeon 3, 5 and 6 panels sold in the United States as X-Series, M-Series and A-Series, respectively. Our P-Series P6 panels were recently also certified as Cradle to Cradle at the Bronze level. These certifications are a globally recognized measure of product sustainability from the Cradle to Cradle Products Innovation Institute. To achieve the certification, products are assessed across five categories: material health, material reutilization, renewable energy and carbon management, water stewardship, and social fairness. The certification recognizes products that are creating a positive impact on the environment and society by promoting a circular economy through their design and manufacturing.

To better understand the efficiency and performance of our products, we engaged an external consultant to perform an assessment of our solar panels' energy payback time (EPBT) in 2022. In the assessment performed on Maxeon's energy usage data, the energy requirements for the production of Maxeon solar panels were determined to be exceptionally low, as compared to the solar energy these panels produced with an overall result providing an EPBT of less than a year. Therefore, energy produced over our technology's lifetime far exceeds the energy required in its production.

We also recognize the importance of reducing our operational carbon footprint and strive to lower our own energy consumption, greenhouse gas ("GHG") emissions, water consumption and waste. The following are some examples of our environmental ESG efforts:

- **Managing our carbon footprint:** We are committed to managing our footprint throughout our value chain, working collaboratively with suppliers, distribution partners and customers to drive holistic results across the lifecycle of our products and our operations. For instance, we implemented our 'Supplier Sustainability Guidelines' which require our suppliers to actively work to reduce the consumption of natural resources, including material sourcing such as polysilicon, and include sustainability criteria to track this environmental impact. Maxeon first embarked on a partnership with STACS on ESGpedia to enhance supplier sustainability monitoring in 2022. In the latest development in 2023, Maxeon commenced the next phase of partnership to work with STACS to ensure suppliers are ISO compliant through a holistic view of the relevant ISO certifications on ESGpedia platform. This included ways to download CDP information from suppliers to understand their carbon footprints.
- **Creating a circular economy:** Through our environmental sustainability initiatives in energy, water and waste management, we seek to move from a linear economy to a circular economy approach across our operations and to support the efforts of our customers to do the same. We strive to ensure that our facilities are built as sustainably as possible, adopting the principles of Leadership in Energy and Environmental Design ("LEED") certification, developed by the U.S. Green Building Council for the design, construction, operation and maintenance of environmentally sustainable structures. Six of our facilities are LEED-certified, with three LEED Gold manufacturing facilities and one LEED Gold and two LEED Platinum administrative buildings. Our circular economy practices are set forth in the document "Powering a Circular Economy: Sustainable Manufacturing & Recycling" which is available at [corp.maxeon.com/esgpolicies](http://corp.maxeon.com/esgpolicies).

### **Social**

The safety and well-being of our employees is paramount. Occupational health and safety is embedded in our day-to-day operations, from the product design stage through the review stage. For 2023, we report zero work related fatalities and a total recordable incident rate of 0.40.

In addition to creating a safe workplace for our employees, we strive to integrate our purpose of Powering Positive Change throughout our business operations and supply chain. For example, we are committed to fair labor and respect for human right practices. We have established our Global Human Rights Policy which sets standards for our global business conduct related to human rights and labor for employees, suppliers and any other business partners. We also implemented our Conflicts Minerals Policy to avoid the use of conflict minerals. Our Modern Slavery Statement, which is hosted on the Australian Border Force website and prepared in accordance with Australian law, sets forth our procedures for identifying and managing human rights risks across our company and our supply chain.

Maxeon understands the importance of supporting the communities where we live and work. We believe access to healthy environmental conditions is a fundamental human right. We aim to help correct inequities through our Maxeon Gives program which we launched in 2022. We also partnered with non-profits and government agencies on corporate social responsibility programmes globally to contribute back to the communities.

Furthermore, we believe in diversity and inclusion in our workforce and the communities we serve as reflected in our zero-tolerance policy towards all forms of discrimination and harassment in the workplace, and also demonstrated in our Board diversity statement, which is available on our website at <https://www.maxeon.com/>, under the heading "Investor Relations – Governance" and our hiring statement, which is available in our sustainability report which stipulates that employment decisions are made on merit. See "*Board Diversity*." The information contained on or accessible through our website does not form part of this annual report.

## **Governance**

We believe that good governance is essential to creating and preserving value for our customers, shareholders and other stakeholders. This includes a sound approach to corporate governance that complies with all applicable laws, rules, regulations and policies as well as adherence to our values. We have an extensive set of corporate governance policies that include a Global Anti-Corruption Compliance Policy, an Insider Trading Policy, a Whistleblower Policy, a Global Human Rights Policy, a Modern Slavery Statement and a Conflict Minerals Policy as well as our Code of Ethics and Business Conduct.

We have established a governance structure to drive ESG strategies, initiatives and performance. Our ESG progress is supervised by our executive leadership team and further governed by our Nominating and Corporate Governance Committee, which consists of two independent directors and two directors appointed by our shareholders, TotalEnergies and TZE. As we strive towards remaining abreast of macro ESG trends, opportunities and risks, our Chief Legal & Sustainability Officer provides quarterly updates and presentations to the Committee on global ESG shifts, as well as our own ESG initiatives and progress. Maxeon has embedded sustainability into its company culture, as reflected in its corporate key results (Maxeon's version of "Key Performance Indicators"). Employees are asked to align their individual objectives to Maxeon's corporate key results in which ESG was identified as critical to achieving broader company goals, during the annual performance review exercise.

We also strive to maintain the integrity of our products and services. We have a Quality Policy which sets standards with regard to product quality and reliability. In addition to implementing comprehensive quality management systems, we provide our customers with a long-term warranty. All of our manufacturing plants and research and development facilities are certified to internationally recognized standards, such as ISO 9001:2015 Quality Management System, ISO45001: 2018 Occupational Safety and Health Management System and ISO14001: 2015 Environmental Management System.

We are subject to laws and regulations concerning the environment, safety matters, regulation of chemicals and product safety in the countries where we manufacture and sell our products or otherwise operate our business. As a result, we have established internal policies and standards that aid our operations in systematically identifying relevant hazards, assessing and mitigating risks and communicating risk information. These internal policies and standards are in place to ensure our operations comply with relevant environmental, health and safety laws and regulations. In addition, we conduct periodic audits of our operations. The potential risks we identify are integrated into our business planning, including investments in reducing safety and health risks to our associates and reducing our impact on the environment. We have also dedicated resources to monitor legislative and regulatory

developments and emerging issues to anticipate future requirements and undertake policy advocacy when strategically relevant.

### **Reporting**

A notable part of our commitment to sustainable development and operations is our commitment to transparent reporting of ESG performance indicators, as we recognize the importance of this information to investors, lenders and others in understanding how we assess sustainability information and evaluate risks and opportunities. We publish an annual sustainability report (the “Sustainability Report”) prepared in accordance to the GRI Sustainability Reporting Standards, Core option, aligned to the SASB, SGX Sustainability Reporting requirement and the United Nations SDGs, which includes our strategy, key performance indicators and achievements. We have also adopted the Task Force on Climate-Related Financial Disclosures (“TCFD”) standards to further our sustainability performance, promote transparency and acknowledge the climate-related impacts associated with our organisation and its business and began our TCFD reporting in 2022. Our historical sustainability reports are available on our website at <https://www.maxeon.com/> under the heading “ESG and Sustainability”.

Nothing on our website, including our Sustainability Report, Eligible Green Expenditures Progress Report, Green Bond Framework, Modern Slavery Statement and/or sections thereof, is deemed incorporated by reference into this Form 20-F.

### **ITEM 4.A. UNRESOLVED STAFF COMMENTS**

Not Applicable.

### **ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

#### **5.A. OPERATING RESULTS**

This operating and financial review should be read together with the section captioned “Item 4.B. Business Overview” and the consolidated financial statements of Maxeon and the related notes to those statements included elsewhere in this Form 20-F. Among other things, those financial statements include more detailed information regarding the basis of preparation for the following information. The consolidated financial statements of Maxeon have been prepared in accordance with GAAP. This discussion contains forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth under “Risk Factors” and elsewhere in this Form 20-F, our actual results may differ materially from those anticipated in these forward-looking statements. Please see discussion under “Special Note About Forward-Looking Statements” in this Form 20-F.

The discussion and analysis of the financial condition and results of operations of certain items for the fiscal year ended January 2, 2022, and year-to-year comparison between fiscal year ended January 1, 2023, and January 2, 2022, that are not included in this Form 20-F can be found in “Item 5. Operating And Financial Review And Prospects” of our Form 20-F for the fiscal year ended January 1, 2023 filed on March 7, 2023, which is incorporated by reference herein.

### **Overview**

We manufacture and supply solar cells and panels, and have begun bundling adjacent products such as microinverters, to resellers and commercial and residential end customers. We sell our solar panels and “Beyond the Panel” products primarily to dealers, project developers, system integrators and distributors, and recognize revenue at a point in time when control of such products transfers to the customer, which generally occurs upon shipment or delivery depending on the terms of the contracts with the customer. There are no rights of return. Other than standard warranty obligations, there are no significant post-shipment obligations (including installation, training or customer acceptance clauses) with any of our customers that could have an impact on revenue recognition. Our revenue recognition policy is consistent across all geographic areas. See “Note 5. Revenue from Contracts with Customers” to our consolidated financial statements.

During fiscal years 2023 and 2022, we had sales of \$206.0 million and \$283.3 million, respectively, to SunPower representing the sale of solar modules to SunPower pursuant to the 2022/2023 Supply Agreement. The 2022/2023 Supply Agreement, was amended on January 5, 2023 to increase minimum product volumes, update the pricing of IBC Modules for 2023 and extend exclusivity provisions that prohibit us from selling Maxeon 6 IBC Modules to anyone other than SunPower for use in the Domestic Territory until December 31, 2023. The pricing of our modules sold to SunPower was fixed for 2022 and 2023, based on the power output (in watts) of the IBC Module, but the pricing was updated to reflect current market trends. Additionally, either party had the right to terminate undelivered volumes of Maxeon 6 IBC Modules during 2023 if the parties failed to reach an agreement adjusting pricing in the event of fluctuations in cost of polysilicon above a specified threshold. On November 13, 2023, pursuant to the SunPower Settlement Agreement entered into between the Company and SunPower, the parties, amongst other matters, agreed to certain amended product orders and deliveries under the 2022/2023 Supply Agreement, which product deliveries took place in accordance with the volumes and schedule set out in the SunPower Settlement Agreement on a take-or-pay basis, at which time upon the performance of all related obligations thereunder, the 2022/2023 Supply Agreement would also terminate.

The Company and SunPower also previously entered into the 2024/2025 Supply Agreement for supply of certain volumes of Maxeon 6 IBC Modules to SunPower for use in residential installations in the Domestic Territory. However, the 2024/2025 Supply Agreement was terminated pursuant to the terms of SunPower Settlement Agreement.

Apart from the termination of the 2022/2023 Supply Agreement and 2024/2025 Supply Agreement in accordance with the terms of the SunPower Settlement Agreement, we have agreed with SunPower on our obligation related to certain warranty claim. On top of this, we have been released (i) from the obligation to supply certain of its products exclusively to SunPower starting March 31, 2024, and (ii) from the non-circumvention obligations under the 2022/2023 Supply Agreement starting January 1, 2024. The SunPower Settlement Agreement also contemplated the issuance of warrants to purchase shares of SunPower's common stock on January 1, 2024, which warrants will be exercisable in the period beginning 135 days from the warrant issuance date, through 2025, and the mutual release of claims arising from the SunPower Supply Agreements (each as defined under "Note 3. Transactions with SunPower and TotalEnergies."), subject to the terms and conditions set forth in the SunPower Settlement Agreement. Maxeon's delivery obligations under the SunPower Settlement Agreement have been satisfied.

For further information, see "Note 3. Transactions with SunPower and TotalEnergies" to our consolidated financial statements included elsewhere in this Form 20-F.

#### **Basis of Presentation**

Refer to "Note 1. Background and Basis of Presentation" to our consolidated financial statements included elsewhere in this Form 20-F for the basis of presentation.

#### **Trends and Uncertainties**

##### **Demand**

Our business is subject to industry-specific seasonal fluctuations including changes in weather patterns and economic incentives that are based on tax credits, among other factors, that drive demand throughout the year. We have historically reflected these seasonal trends with the largest percentage of total revenues realized during the last two quarters of a fiscal year. Beginning on the third quarter of fiscal year 2023, we faced various industry factors and economic conditions that affected the demand, including increased competition and over-supply as compared to demand. The impact was prominent in the global DG markets and this trend continued into the fourth quarter of fiscal year 2023. Following the acquisition of certain assets from CSLR in October of 2023, we are now able to tap onto another US DG sales channel with established customer base.



Volatility in the applied trade and tariff policy of the United States has created market challenges and opportunity at the same time, for us, and our supplier and customer bases, since the beginning of 2018. Safeguard tariffs imposed in February 2018 pursuant to Section 201 of the Trade Act of 1974 had significant market effects during the five ensuing years. While a technology-based exclusion for IBC products muted the impact on us, our solar products based on other technologies were and remain subject to the safeguard tariffs. The safeguard measure was extended in February 2022 for an additional four-year period. Bifacial cells and modules were initially subject to the safeguard measure, then excluded, then re-covered, then re-excluded pursuant to a November 2021 U.S. Court of International Trade Decision, and on January 14, 2022, the Biden Administration filed a notice of appeal against the decision before the U.S. Court of Appeals for the Federal Circuit. Proclamation 10339 definitively excluded bifacial panels from the safeguard measure with effect from February 7, 2022; that exclusion remains in effect today but is expected to be removed by the President of the U.S. with the result that bifacial modules would face tariffs for some or all of the measure's remaining 20 months. Proclamation 10339 also directed the U.S. Trade Representative ("USTR") to negotiate with Mexico and Canada with a view to exempting them; negotiations have concluded successfully with Canada but have not yet produced a result for Mexico. During the same timeframe, tariffs imposed on goods of PRC origin pursuant to Section 301 of the Trade Act of 1974 significantly affected trade in solar power system components and finished products. The Section 301 tariffs remain in force and have no specified expiration date.

During 2021, a distinct set of challenges arose for the U.S. solar market as a result of a "withhold release order" ("WRO") imposed pursuant to Section 307 of the Tariff Act of 1930 on products whose upstream silicon materials are sourced, or suspected of being sourced, from Hoshine Silicon Industry Co. Ltd. and its affiliates. The basis for this WRO was a finding that Hoshine and its affiliates utilize and benefit from forced labor in China's Xinjiang Province. U.S. Customs and Border Protection detained numerous incoming shipments of silica-based products (including PV solar modules) at ports of entry and subjected importers to a lengthy and arduous process of proving that no forced labor was involved at the furthest upstream stages of their supply chains. In response, some companies altogether stopped trying to ship solar products to the United States; at a number of under-construction U.S. solar projects, expected module deliveries did not materialize. The WRO remains in force and has been expanded legislatively via the Uyghur Forced Labor Prevention Act ("UFLPA"), signed into law on December 23, 2021, which establishes a presumption that all goods processed in Xinjiang Province utilize forced labor and are therefore ineligible for entry into the U.S. market. Given Xinjiang Province's major role in global production of polysilicon and upstream silica materials such as MGSi, and given China's current pre-eminence as a location for polysilicon ingoting and wafering, these developments necessitate and are triggering a significant re-configuration of many manufacturers' supply chains for the U.S. market.

These regulatory disruptions—on top of longstanding anti-dumping and countervailing duties on Chinese and Taiwanese solar cells and modules—have resulted and may continue to result in a wide range of impacts to the U.S. solar industry, global manufacturing market and our business, including market volatility, price fluctuations, and demand suppression.

Aside from the effects on our suppliers, customers, partners, and projects, we did not incur tariff charges for fiscal years 2023 and 2022.

### **Supply**

We continue to focus on the sale of our lower cost, high efficiency Performance line of solar panels to the United States market, and have ramped up our Performance line cell capacity to 1.8 GW during fiscal year 2023, with cells produced in our Fab 3 Malaysia facility, and module production in Mexico. Sales of these products are designated for the United States utility scale market. HSPV and its affiliates in China are converting their production lines from PERC to TOPCon technology. One line is already manufacturing rooftop size Performance line solar modules with TOPCon cells for us and more lines are available if our demand of residential market outside of US increases. On April 26, 2024, we entered into the 2024 HSPV Master Supply Agreement pursuant to which HSPV and its affiliates will exclusively supply us with rooftop size Performance line solar modules that meet certain criteria. (refer to Note 4. *TCL Zhonghuan Renewable Energy Technology Co. Ltd. ("TZE") - Agreements with TZE in Connection with the HSPV*).

We continue to see significant and increasing opportunities in technologies and capabilities adjacent to our core product offerings that can significantly reduce our customers' cost of energy, including the integration of energy storage and EV charging, managed by a whole home digital energy experience complemented by value-add services. We have made investments to realize those opportunities, resulting in the launch of SunPower One – our integrated home energy management solution, enabling our customers to make intelligent energy choices by addressing how they buy energy, how they use energy, and when they use it. SunPower One represents the next major step in our “Beyond the Panel” initiative, which started with integrating advanced module-level control electronics to our portfolio of technology designed to enable longer series strings and significant balance of system components cost reductions in large arrays. We currently offer solar panels that use microinverters designed to eliminate the need to mount or assemble additional components on the roof or the side of a building and enable optimization and monitoring at the solar panel level to ensure maximum energy production by the solar system.

We continue to improve our unique, differentiated solar cell and panel technology. We emphasize improvement of our solar cell efficiency and levelized cost of energy and CCOE performance through enhancement of our existing products, development of new products and reduction of manufacturing cost and complexity in conjunction with our overall cost-control strategies.

The supply chain within the solar industry has seen decreasing logistics costs during the year and has been at its historical low rate similar to pre-pandemic cost level in the second half of fiscal year 2023. Furthermore, certain raw materials, such as junction boxes, encapsulants and frames, have not recently seen major fluctuation in their prices.

We work with our suppliers and partners to ensure the reliability of our supply chain. We have contracted with a supplier for multi-year supply agreements, under which we have annual minimum purchase obligations. For more information about our purchase commitments and obligations, see “Item 5.B Liquidity and Capital Resources— Material Cash Requirements” and “Note 9. *Commitments and Contingencies*” to our consolidated financial statements included elsewhere in this Form 20-F.

We currently believe our supplier relationships and various short- and long-term contracts will afford us the volume of material and services required to meet our planned output; however, we face the risk that the pricing of critical material may not be competitive, resulting in a higher manufacturing cost which we may be unable to pass on.

For a further discussion of trends, uncertainties and other factors that could impact our operating results, see the section entitled “Risk Factors” included elsewhere in this Form 20-F.

#### **Critical Accounting Estimates**

The preparation of these financial statements requires us to make estimates and judgments that affect the reported amount of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our audited consolidated financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting estimates are those that reflect significant judgments or uncertainties, and which could potentially result in materially different results under different assumptions and conditions. We have described below what we believe are our most critical accounting estimates.

Due to the macro-economic trends such as the continued heightened geopolitical tensions and the ongoing war in Ukraine and the Israel-Hamas-Iran conflict, there has been continued uncertainty and disruption in the global economy and financial markets. We are not aware of any specific event or circumstance that would require updates to our estimates and judgments or require us to revise the carrying value of our assets or liabilities as of the date of issuance of this Form 20-F. These estimates may change as new events occur and additional information is obtained. Actual results could differ materially from these estimates under different assumptions or conditions.

There were no other significant changes in our critical accounting estimates during fiscal year 2023 compared to the prior period.

The following paragraphs describe the significant estimates and assumptions applied by management in the preparation of the consolidated financial statements.

#### ***Inventories valuation***

Inventories are accounted for at approximate costs determined on a first-in-first-out basis and are valued at the lower of cost and net realizable value. Excess and obsolete inventory is written down to its estimated net realizable value if less than cost. The determination of the net realizable value associated with the eventual disposition of inventory involves significant judgments that consider a number of factors affected by market and economic conditions outside of the Group's control. In particular, the significant assumptions applied are sensitive to the expected demand which is developed based on our analysis of bookings, sales backlog, sales pipeline, market forecast, and competitive intelligence. In addition, expected demand by geography has changed historically due to changes in the availability and size of government mandates and economic incentives. We do not expect that there will be material change in future on estimates or assumptions that we used to record inventory at the lower of cost and net realizable value. However, if estimates or assumptions change based on unforeseen manner, we may be exposed to losses that could be material.

#### ***Long-Lived Assets***

We evaluate our long-lived assets, including property, plant and equipment and definite-lived intangible assets, for impairment whenever events or changes in circumstances arise. This evaluation includes consideration of technology obsolescence that may indicate that the carrying value of such assets may not be recoverable. The assessments require significant judgment in determining whether such events or changes have occurred. Factors considered important that could result in an impairment review include significant changes in the manner of use of a long-lived asset or in its physical condition, a significant adverse change in the business climate or economic trends that could affect the value of a long-lived asset, significant under-performance relative to expected historical or projected future operating results, or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. Furthermore, the evaluation requires an estimates on the valuation assumption including future cash flows, economic useful lives of the long-lived assets.

Apart for the impairment charge of \$74.5 million as a result of the exit activity in connection to the September 2023 Restructuring Plan, we have not recorded any other material impairment charges for fiscal year 2023.

#### ***Product Warranties***

We generally provide a 25-year standard warranty for the solar panels that we manufacture for defects in materials and workmanship and for greater than promised declines in power performance. Effective from January 1, 2022, this has been extended to a 40-year standard warranty for certain Maxeon line modules in certain countries.

We maintain reserves to cover the expected costs that could result from these warranties. Our expected costs are generally in the form of product replacement or repair. Warranty reserves are based on our best estimate of such costs and based on various factors including historical warranty claims, results of accelerated lab testing, field monitoring, vendor reliability estimates, and data on industry averages for similar products. Due to the potential for variability in these underlying factors, the difference between our estimated costs and our actual costs could be material to our consolidated financial statements. Historically, warranty costs have been within our expectations. In fiscal year 2023, the Company recorded \$11.9 million in warranty benefit from change in estimate, of which \$4.0 million related to revision pursuant to the SunPower Settlement Agreement whereby SunPower and the Company agreed to share 50% of the obligation in relation to certain warranty claims and \$7.9 million related to decrease in product replacement costs for products that the Company provides warranty for based on the review of field performance data and historical claim rate. The impact on net loss is \$11.9 million and related reduction to basic and diluted net loss per share for fiscal year 2023 was \$0.26.

### ***Accounting for Income Taxes***

The Company is subjected to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate determination is uncertain during the course of business. The Company records a valuation allowance to reduce the deferred tax assets to the amount that is more likely than not to be realized which depends on the ability to generate sufficient taxable income in the related jurisdiction in the future. In evaluating our ability to recover our deferred tax assets, we consider the available evidence, including the accumulated losses, timing and amount of reversal of taxable temporary differences.

The Company records accruals for uncertain tax positions when the Company believes that it is not more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position.

### ***Variable Interest Entities***

We regularly evaluate our relationships and involvement with unconsolidated VIEs and our other equity and cost method investments, to determine whether we have a controlling financial interest in them or have become the primary beneficiary, thereby requiring us to consolidate their financial results into our financial statements. If we determine that we are the primary beneficiary, we will consolidate the VIE. The determination of whether we are the primary beneficiary is based upon whether we have the power to direct the activities that most directly impact the economic performance of the VIE and whether we absorb any losses or receive any benefits that would be potentially significant to the VIE.

### **Components of Results of Operations**

#### ***Revenue***

We recognize revenue from the sale of solar panels and related solar system components, primarily to dealers, system integrators and distributors, and in some cases on a multi-year, firm commitment basis. For a discussion of how and when we recognize revenue, see “*Note 2. Summary of significant accounting policies – Revenue Recognition.*”

#### ***Cost of Revenue***

We generally recognize our cost of revenue in the same period that we recognize related revenue. Cost of revenue includes actual cost of material, labor and manufacturing overhead incurred for revenue-producing units shipped. Cost of revenue also includes associated warranty costs and other costs. The cost of solar panels is the single largest cost element in our cost of revenue. Our cost of solar panels consists primarily of: (i) polysilicon, silicon ingots and wafers used in the production of solar cells, (ii) other materials and chemicals including glass, frame, and backing, and (iii) direct labor costs and assembly costs. Other factors that contribute to our cost of revenue include salaries and personnel-related costs, depreciation, facilities related charges, freight, as well as charges related to sales of raw materials inventory and write-downs.

#### ***Gross Profit (Loss)***

Our gross profit (loss) is affected by a number of factors, including average selling prices for our solar power components, our product mix, our actual manufacturing costs, the utilization rate of our solar cell manufacturing facilities, inventory net realizable value charges, warranty cost, and actual overhead costs. In fiscal year 2023, gross profit includes write-down of inventories and inventory related costs in connection to the September 2023 Restructuring Plan of \$24.3 million.

### **Research and Development**

Our research and development activities are undertaken by our team in Silicon Valley in our research and development lab established in fiscal year 2022. Research and development expense consists of salaries and related personnel costs, overheads for the labs and equipment, and the cost of solar panel materials, various prototyping materials, and services used for the development and testing of products. Research and development expense is reported inclusive of payments made under collaborative arrangements. Please refer to “Note 3. *Transactions with SunPower and TotalEnergies*” to our consolidated financial statements included elsewhere in this Form 20-F.

### **Sales, General and Administrative**

Sales, general and administrative expense consists primarily of salaries and related personnel costs, professional fees, bad debt expenses, and other selling and marketing expenses.

### **Restructuring**

Restructuring expense of \$125.5 million in fiscal year 2023 consists of mainly costs associated with the Company’s September 2023 Restructuring Plan that was approved to rebalance our global operations to create efficiencies, improving cash flows and improve our product execution in alignment with our strategy. Restructuring charges are primarily comprised of impairment, cost of disposal and retirement of long-lived assets, including right of use assets, contract termination cost for capital expenditure, severance and benefits. The restructuring activities are expected to be completed by fiscal year 2024. Restructuring expense of \$2.1 million in fiscal year 2022 consists primarily of costs associated with the Company’s June 2022 restructuring plan to reduce costs and focus on improving cash flow, the majority of which related to the closure of a manufacturing facility in Porcelette, France. See “Note 8. *Restructuring*” to our consolidated financial statements included elsewhere in this Form 20-F.

### **Other Expense, Net**

Interest expense primarily relates to the Notes and other financing activities.

Other, net includes primarily remeasurement of the Prepaid Forward associated with our Green Convertible Notes, gains or losses on foreign exchange derivative instruments and interest income.

### **Income Taxes**

Deferred tax assets and liabilities are recognized for temporary differences between financial statement and income tax bases of assets and liabilities. Valuation allowances are provided against deferred tax assets when management cannot conclude that it is more likely than not that some portion or all deferred tax assets will be realized.

We currently benefit from a preferential tax rate of 5% in the Philippines in accordance with our registration with the PEZA. We also benefit from a tax holiday granted by the Malaysian government to our former joint venture AUO SunPower Sdn. Bhd. (now our wholly owned subsidiary, SunPower Malaysia Manufacturing Sdn. Bhd.) subject to certain hiring, capital spending, and manufacturing requirements. The full tax exemption for the third and final five-year tranche of this incentive was reinstated in fiscal year 2023, subject to meeting certain conditions, and will expire on June 30, 2026. Our Swiss entity, SunPower Systems Sarl is subject to the statutory tax rate after the 2019 Switzerland tax reform that eliminated the auxiliary company designation starting fiscal year 2020. For additional information see “Note 2. *Summary of Significant Accounting Policies*” and “Note 13. *Income Taxes*” to our consolidated financial statements included elsewhere in this Form 20-F.

To combat tax avoidance, the Base Erosion and Profit Shifting (“BEPS”) project was created in 2013, being an initiative of the G20 (Group of twenty countries with the largest economies) together with the OECD, aimed at implementing 15 measures to improve the coherence of international tax rules and to minimize abusing of tax norms that result in erosion of the tax base. BEPS 2.0 is intended to address tax issues related to changes in business models in a globalized environment and targeted at multinational companies with an annual global turnover

exceeding EUR 750 million, aiming to implement a balance in the global tax collection of these companies by introducing a minimum effective global rate of 15% for each jurisdiction that the multinational group operates.

Starting in 2024, BEPS 2.0 come into effect in various countries and there are transition rules (Safe Harbor) which simplifies the calculation of the effective rate per jurisdiction to facilitate the adaptation for the affected group. The Company is affected under BEPS 2.0 and has conducted safe harbor analysis using 2022 financial data for the jurisdictions where the Company operates. The preliminary analysis indicates that the Company is affected as a result of the adoption of BEPS 2.0. However, the percentage of additional payment cannot be reasonably estimated as of the time of issuance of these consolidated financial statements as the basis for the assessment of the impact is based on 2024 results which is unavailable.

***Equity in Losses of Unconsolidated Investees***

Equity in losses of unconsolidated investees represents our reportable share of losses generated from entities in which we own an equity interest accounted for under the equity method. On April 26, 2024, the Company, through its subsidiary, SunPower Manufacturing Corporation Limited, entered into an equity transfer agreement with Zhonghuan Hong Kong Holding Limited, a subsidiary of TZE, Maxeon's largest shareholder, for the sale of all of the Company's minority interest (approximately 16.27%) in HSPV, a joint venture established by SunPower Corporation, TZE and other former partner in 2016. See "Note 19. *Subsequent event*" to our consolidated financial statements included elsewhere in this Form 20-F.

***Net (Income) Loss Attributable to Noncontrolling Interests***

We determined that we hold controlling interests in certain less-than-wholly owned entities and have fully consolidated these entities as a result. Noncontrolling interests represent the portion of net assets in these consolidated subsidiaries that are not attributable, directly or indirectly, to us. Net (income) losses attributable to the noncontrolling interests represent the portion of our net (income) loss allocated to the noncontrolling interests.

## Results of Operations

Set forth below is a discussion of our results of operations for the periods indicated and the summary of selected financial results derived from our consolidated financial statements and related notes appearing elsewhere in this Form 20-F:

	Fiscal Year Ended	
	December 31, 2023	January 1, 2023
<b>(In thousands)</b>		
<b>Selected Consolidated Statements of Operations Data:</b>		
Revenue	\$ 1,123,110	\$ 1,060,113
Cost of revenue	1,044,995	1,108,061
Gross profit (loss)	78,115	(47,948)
Operating expenses	297,320	152,346
Operating loss	(219,205)	(200,294)
Other expense, net	(54,321)	(25,589)
Loss before income taxes and equity in losses of unconsolidated investees	(273,526)	(225,883)
Benefits from (provision for) income taxes	626	(32,191)
Equity in losses of unconsolidated investees	(2,811)	(9,072)
Net loss	(275,711)	(267,146)
Net loss attributable to the stockholders	\$ (275,829)	\$ (267,424)

### Revenue and Cost of Revenue

	Fiscal Year Ended	
	December 31, 2023	January 1, 2023
<b>(In thousands)</b>		
Revenue	\$ 1,123,110	\$ 1,060,113
Cost of revenue	1,044,995	1,108,061
Gross profit (loss) percentage	7 %	(5)%

During fiscal year 2023, we recognized revenue of \$1,123.1 million from sales of modules and components with shipments of 2,862MW, of which \$206.0 million, or 18.3% of total revenue, represented sales of solar modules to SunPower. During fiscal year 2022, we recognized revenue from sales of modules and components of \$1,060.1 million with shipments of 2,348MW, of which \$283.3 million, or 26.7% of total revenue, represented sales of solar modules to SunPower. For fiscal year 2023, except for revenue transactions with SunPower, we had one other customer that accounted for more than 10% of revenue. For fiscal year 2022, except for revenue transactions with SunPower, we had no customers that accounted for more than 10% of revenue. The increase of \$63.0 million in revenue as compared to fiscal year 2022 was primarily due to higher sales for the utility-scale business into the United States. This is driven by a combination of higher volume and selling price pursuant to agreements entered into with a customer and its affiliate on March 7, 2023. This was partially offset by a lower revenue in utility-scale business from other countries and DG business, primarily driven by lower volume and lower selling prices, particularly in Europe, as a result of over-supply in the market which led to downward pressure on selling prices. This was further compounded by lower volumes delivered to SunPower due to the pause of shipments in late July following a breach of their payment obligations and the subsequent resumption of shipments based on a reduced volume pursuant to the SunPower Settlement Agreement.

Cost of revenue was \$1,045.0 million in fiscal year 2023. The decrease of \$63.1 million in cost of revenue compared to fiscal year 2022 was primarily due to lower cost of production due to declining container rates and logistic cost reduction initiatives, reversal of warranty provisions amounting to \$11.9 million in fiscal year 2023 in connection with the SunPower Settlement Agreement and revision of accounting estimates, lower losses of \$19.1 million on the polysilicon procured under the long-term fixed supply agreements that ended during fiscal year 2022, a non-recurring settlement of \$15.2 million with a polysilicon supplier in 2022 to resolve a contract dispute, and lower inventory write-down to the net realizable value coupled with utilization of prior period provision. This was partially offset by higher shipments during fiscal year 2023 and also, inventory impairment and other inventory-related costs of \$24.3 million in connection to the September 2023 Restructuring Plan.

Cost of revenue was \$1,108.1 million in fiscal year 2022 and includes \$8.3 million related to losses incurred as a result of ancillary sales to third parties of excess polysilicon procured under the long-term fixed supply agreements which expired in fiscal year 2022. In addition, we estimated that we paid \$11.3 million above the market price for polysilicon, as we were bound by our long-term fixed supply agreements for polysilicon utilized 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.

#### Revenue by Geography

(In thousands)	Fiscal Year Ended	
	December 31, 2023	January 1, 2023
United States	\$ 645,112	\$ 427,111
Italy	139,506	126,195
Rest of world <sup>(1)</sup>	338,492	506,807
Total revenue	\$ 1,123,110	\$ 1,060,113

<sup>(1)</sup> Revenue included under “Rest of the world” comprise of 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 increase in sales attributed to the U.S by 51.0% or \$218.0 million compared to fiscal year 2022 was mainly due to sales for the utility-scale business into the United States. This is driven by a combination of higher volume and selling price pursuant to agreements entered into with a customer and its affiliate on March 7, 2023. This was partially offset by lower sales to SunPower of \$206.0 million for fiscal year 2023 as compared to \$283.3 million for fiscal year 2022.

#### Operating Expenses

(In thousands)	Fiscal Year Ended	
	December 31, 2023	January 1, 2023
Operating expenses:		
Research and development	\$ 45,703	\$ 49,681
Sales, general and administrative	126,167	100,541
Restructuring charges	125,450	2,111
Total operating expenses	\$ 297,320	\$ 152,333



### **Research and Development Expenses**

Research and development expenses were \$45.7 million in fiscal year 2023, primarily associated with expenditures for the development of our Maxeon 7 and Maxeon 8 cell and panel technology, comprised primarily of compensation expense (including stock-based compensation) of \$27.3 million, as well as facilities expense of \$6.1 million, research and development materials of \$2.2 million, expenses for leased equipment of \$1.3 million, external services of \$3.1 million and depreciation and amortization expense of \$1.7 million. Included in these expenses is \$1.9 million related to the Product Collaboration Agreement with SunPower. Please refer to “Note 3. *Transactions with SunPower and TotalEnergies*” to our consolidated financial statements included elsewhere in this Form 20-F. The decrease in research and development expenses of \$4.0 million as compared to fiscal year 2022 is mainly due to lower research and development personnel and non-recurrence of discretionary expense which resulted in lower compensation charges of \$2.7 million, lower expense for leased equipment of \$1.8 million as a result of transfer of the research and development assets to Maxeon which was originally under the Product Collaboration Agreement, and lower research and development materials of \$1.7 million. This was partially offset by higher expenses incurred for consulting and travelling.

Research and development expenses were \$49.7 million in fiscal year 2022, primarily associated with expenditures on our Maxeon 6 and Maxeon 7 cell and panel technology, comprised primarily of compensation expense (including stock-based compensation) of \$30.0 million, as well as facilities expense of \$6.0 million, expenses for leased equipment of \$3.1 million, research and development materials of \$3.9 million, external consulting of \$2.4 million and depreciation and amortization expense of \$1.5 million. Included in these expenses is \$16.4 million related to the Product Collaboration Agreement with SunPower. Please refer to “Note 3. *Transactions with SunPower and TotalEnergies*” to our consolidated financial statements included elsewhere in this Form 20-F.

### **Sales, General and Administrative Expenses**

Sales, general and administrative expenses were \$126.2 million in fiscal year 2023 and were comprised primarily of \$63.1 million of compensation expenses (including stock-based compensation) and \$28.4 million of professional fees and outside services, as well as \$9.7 million of equipment-related expenses, \$4.2 million of insurance expenses, \$3.5 million of facilities related costs including rent, utilities and maintenance, and \$2.2 million of depreciation expense. Included in these expenses is a net credit of \$0.1 million related to the transition services agreement with SunPower. The increase of sales, general and administrative expenses of \$25.6 million as compared to 2022 is primarily driven by higher compensation expenses of \$15.4 million due to additional hiring and merit increase and also, non-recurrence of reversal of certain charges in connection to the transition service agreement with SunPower, higher professional fees and outside services of \$4.8 million for legal and consulting related services, and \$2.8 million from higher marketing investments in installer partner trainings, branding and developing new sales channels as well as travel expenses due to ease of travel restrictions.

Sales, general and administrative expenses were \$100.5 million in fiscal year 2022 and comprised primarily of \$47.7 million of compensation expenses (including stock-based compensation), \$23.6 million of professional fees and outside services, \$5.8 million of insurance expenses, \$7.6 million of equipment related expenses, \$2.8 million of facilities related costs including rent, utilities and maintenance, and \$1.5 million of depreciation expense. Included in these expenses is a net credit of \$3.0 million related to the transition services agreement with SunPower.

### **Restructuring charges**

Restructuring expense for fiscal year 2023 was \$125.5 million. The majority of the cost relates to our September 2023 Restructuring Plan which affected the Company’s global operations. The charges incurred are in connection to long-lived assets write-down, contract termination charges and severance-related payments. Restructuring expense was \$2.1 million in fiscal year 2022. The majority of the cost relates to our June 2022 restructuring plan on the planned closure of our module factory in Porcelette, France

See “Note 8. *Restructuring*” to the consolidated financial statements for further information regarding our restructuring plans.

**Other expense, net**

	Fiscal Year Ended	
	December 31, 2023	January 1, 2023
<b>(In thousands)</b>		
Other expense, net		
Interest expense	\$ (42,438)	\$ (30,343)
Interest income	9,387	2,531
Other, net	(21,270)	2,223
Other expense, net	\$ (54,321)	\$ (25,589)

Of the total \$42.4 million in interest expense incurred during fiscal year 2023, \$16.4 million relates to the Green Convertible Notes due 2025, \$19.0 million relates to the 2027 Notes and \$2.1 million relates to interest expense on significant financing component on prepayments received. The remaining interest expense relates to the Company's other outstanding debt arrangements.

Of the total \$30.3 million in interest expense incurred during fiscal year 2022, \$16.4 million relates to the Green Convertible Notes due 2025, \$7.1 million relates to the 2027 Notes and \$2.4 million relates to interest expense on significant financing component on prepayments received. The remaining interest expense relates to the Company's other outstanding debt arrangements.

Other, net for fiscal year 2023 primarily comprised of a \$18.4 million loss on the remeasurement of Prepaid Forward associated with the Green Convertible Notes and loss of \$2.7 million on derivative instruments.

Other, net for fiscal year 2022 primarily comprised of \$2.4 million gain on remeasurement of the Prepaid Forward associated with the Green Convertible Notes and a \$1.0 million gain arising from the recognition of reimbursement of litigation cost. This was partially offset by foreign exchange loss of \$0.4 million and loss of \$1.5 million on derivative instruments.

**Income Taxes**

	Fiscal Year Ended	
	December 31, 2023	January 1, 2023
<b>(In thousands)</b>		
Benefits from (provision for) income taxes	\$ 626	\$ (32,191)

In fiscal year 2023, our income tax credit of \$0.6 million was primarily due to the reversal of deferred tax expenses arising from the reinstatement of our tax incentive in Malaysia in 2023, offset against the tax expense of jurisdictions that were profitable.

In fiscal year 2022, our income tax expense of \$32.2 million was primarily due to the tax expense in jurisdictions that were profitable, provision of higher unrecognized tax benefit and an increase in valuation allowance on our deferred tax assets.

**Equity in Losses of Unconsolidated Investees**

For the fiscal years 2023 and 2022, our unconsolidated investee, HSPV, experienced a loss for which we recorded our reportable share of \$2.8 million and \$9.1 million, respectively. The decrease of \$6.3 million in equity in losses of unconsolidated investee was primarily due to the limit of the share of losses under equity method to the

total cost of investment under ASC 323. HSPV was our joint-venture with TZE until April 26, 2024 when we entered into an equity transfer agreement to divest all of our equity interest through a sale to TZE.

#### ***Net Income Attributable to Noncontrolling Interests***

For the fiscal years 2023 and 2022, we attributed \$0.1 million and \$0.3 million of net income, respectively, to noncontrolling interests. The lower net income attributable to noncontrolling interests was a result of less profitable operations from our consolidated investee during fiscal year 2023.

#### **Reconciliation of Non-GAAP Financial Measures**

We present certain non-GAAP measures such as non-GAAP gross profit (loss), non-GAAP operating expenses and earnings before interest, taxes, depreciation and amortization (“EBITDA”) adjusted for stock-based compensation, loss related to settlement of price escalation dispute, restructuring charges and fees, remeasurement (loss) gain on prepaid forward and physical delivery forward, and equity in losses of unconsolidated investees (“Adjusted EBITDA”) to supplement our consolidated financial results presented in accordance with GAAP. Non-GAAP gross profit (loss) is defined as gross profit (loss) excluding stock-based compensation, restructuring charges and fees, and loss related to settlement of price escalation dispute. Non-GAAP operating expenses is defined as operating expenses excluding stock-based compensation and restructuring charges and fees.

We believe that non-GAAP gross profit (loss), 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.

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 (loss), 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 and fees.* We incur restructuring charges, inventory impairment and other inventory related costs associated with the re-engineering of our IBC capacity, and fees related to reorganization plans and business acquisition aimed towards realigning resources consistent with our global strategy and improving its overall operating efficiency and cost structure. Restructuring charges and fees are excluded from non-GAAP gross profit (loss), non-GAAP operating expenses and Adjusted EBITDA because they are not considered core operating activities. Although we have engaged in restructuring activities and initiatives, 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 and fees 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 loss (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 loss (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 the mark-to-market adjustments from our Adjusted EBITDA as it is not reflective of ongoing operating results nor do the loss contribute to a meaningful evaluation of our past operating performance.
- *Equity in losses of unconsolidated investees.* This relates to the loss on our former unconsolidated equity investment HSPV. This is excluded from our Adjusted EBITDA financial measure as it is non-cash in nature and not reflective of our core operational performance. As such, management believes that it is appropriate to exclude such charges as they do not contribute to a meaningful evaluation of our performance.
- *Loss related to settlement of price escalation dispute.* This relates to loss arising from the settlement of price escalation dispute with a polysilicon supplier related to our long term, firm commitment polysilicon supply agreement. This is excluded from our Adjusted EBITDA financial measure as it is non-recurring and not reflective of ongoing operating results. As such, management believes that it is appropriate to exclude such charges as the loss does not contribute to a meaningful evaluation of our past operating performance.

**Reconciliation of Non-GAAP Financial Measures**

(In thousands)	Fiscal Year Ended	
	December 31, 2023	January 1, 2023
<b>Gross profit (loss)<sup>(3)</sup></b>	<b>\$ 78,115</b>	<b>\$ (47,948)</b>
Stock-based compensation	989	1,535
Restructuring charges and fees <sup>(1)</sup>	24,839	—
Loss related to settlement of price escalation dispute	—	15,170
<b>Non-GAAP Gross profit (loss)<sup>(3)</sup></b>	<b>103,943</b>	<b>(31,243)</b>
<b>GAAP Operating expenses</b>	<b>297,320</b>	<b>152,346</b>
Stock-based compensation	(17,338)	(13,045)
Restructuring charges and fees <sup>(2)</sup>	(126,854)	(5,632)
<b>Non-GAAP Operating expenses</b>	<b>153,128</b>	<b>133,669</b>
<b>GAAP Net loss attributable to the stockholders<sup>(3)</sup></b>	<b>\$ (275,829)</b>	<b>(267,424)</b>
Interest expense, net	33,051	27,812
(Benefits from) provision for income taxes	(626)	32,191
Depreciation	55,685	56,470
Amortization	195	272
EBITDA <sup>(1)</sup>	(187,524)	(150,679)
Stock-based compensation	18,327	14,580
Loss related to settlement of price escalation dispute	—	15,170
Restructuring charges and fees	151,693	5,632
Remeasurement loss (gain) on prepaid forward	18,363	(2,411)
Equity in losses of unconsolidated investees and related gain	2,811	9,072
<b>Adjusted EBITDA</b>	<b>3,670</b>	<b>(108,636)</b>

<sup>(1)</sup> For fiscal year ended December 31, 2023, \$24.3 million of inventory write-down and related charges connected to the re-engineering activities of our IBC manufacturing capacity as further described in footnote (2)

<sup>(2)</sup> For fiscal year ended December 31, 2023, \$127.1 million related to cost associated with rebalancing our global operations and re-engineering of our IBC manufacturing operations. Of this amount, \$74.5 million related to impairment of long-lived assets, \$39.1 million related to contract termination cost as part of restructuring activities, and \$13.6 million related to the global reduction in force, including severance payment and advisory fees.

<sup>(3)</sup> The Company's GAAP and Non-GAAP results were impacted by the effects of certain items. Refer to supplementary information in the table below.

**Supplementary information affecting GAAP and Non-GAAP results**

(In thousands)	Financial statements item impacted	Fiscal Year Ended	
		December 31, 2023	January 1, 2023
Incremental cost of above market polysilicon <sup>(1)</sup>	Cost of revenue	\$ 525	\$ 11,329
Loss on ancillary sales of excess polysilicon <sup>(2)</sup>	Cost of revenue	—	8,328

- (1) Relates to the difference between our contractual cost for the polysilicon under the long-term fixed supply agreements with our supplier, which ended in the fiscal year 2022, and the price of polysilicon available in the market as derived from publicly available information at the beginning of each quarter, multiplied by the volume of modules sold within the quarter. The Company has sold all the inventories produced using such polysilicon during fiscal year 2023 and do not expect to incur future charges.
- (2) In order to reduce inventory and improve working capital, we had 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.

## 5.B. LIQUIDITY AND CAPITAL RESOURCES

### Current Sources of Liquidity and Capital Resources

As of December 31, 2023, we had unrestricted cash and cash equivalents of \$190.2 million, restricted cash of \$5.3 million as compared to \$227.4 million of unrestricted cash and cash equivalents, \$40.5 million of restricted cash and \$76.0 million short-term securities as of January 1, 2023.

Our primary sources of liquidity are cash generated from operations, customer advances in connection with certain of our supply agreements, financing obtained through equity issuance, convertible debt issuances and a revolving credit facility. Refer to “Note 5. *Revenue from contracts with customers*” to our consolidated financial statements for more details on the amortization of the customer advances. The Company has also pledged certain equipment assets and inventory to serve as collateral for some of these advances from customers. See also “Note 11. *Debt and Credit Sources*” and “Note 14. *Common Stock*” to our consolidated financial statements for more details on the debt and equity financings.

### Cash Flows

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

(In thousands)	Fiscal Year Ended	
	December 31, 2023	January 1, 2023
Net cash (used in) provided by operating activities	\$ (254,296)	\$ 3,437
Net cash provided by (used in) investing activities	13,926	(139,301)
Net cash provided by financing activities	167,951	211,474

### Operating Activities

Net cash used in operating activities in fiscal year 2023 was \$254.3 million and was primarily driven by net loss of \$275.7 million and an unfavorable change in working capital of \$171.6 million. This was offset by (i) non-cash charges of \$162.2 million related to impairment of property, plant and equipment, depreciation and amortization, stock-based compensation, excess or obsolete inventories and other non-cash charges; (ii) \$9.1 million non-cash interest expense primarily attributable to amortization of stock lending fees and accretion associated with the Green Convertible Notes and 2027 Notes; (iii) non-cash equity in losses of unconsolidated investee of \$2.8 million; and (iv) non-cash remeasurement loss on Prepaid Forward of \$18.4 million.

The unfavorable working capital movement arose from a net utilization of \$55.1 million of contract liabilities, mainly from advance collections from customers for certain sale contracts, a decrease of \$97.7 million in accounts payable and other accrued liabilities due to timing of settlement of invoices, an increase in inventories of

\$43.5 million, increase in accounts receivables of \$8.3 million, primarily attributable to billing and collection cycles. These are partially offset by a decrease in prepaid expenses and other assets of \$29.7 million.

Net cash provided by operating activities in fiscal year 2022 was \$3.4 million and was primarily driven by (i) non-cash charges of \$89.2 million related to depreciation and amortization, stock-based compensation and other non-cash charges; (ii) a \$7.1 million non-cash interest expense primarily attributable to amortization of stock lending fees and accretion associated with the Green Convertible Notes and 2027 Notes; (iii) non-cash equity in losses of unconsolidated investee of \$9.1 million; and (iv) a favorable change in working capital of \$158.8 million.

The significant cash movements within the working capital are a \$195.7 million increase in contract liabilities arising from advance collections from customers, an increase in accounts payable and other accrued liabilities of \$70.6 million due to timing of settlement of invoices. This was offset by a \$106.6 million increase in inventories, \$13.9 million increase in prepaid expenses and other assets and increase in accounts receivables of \$15.3 million, primarily attributable to billing and collection cycles.

#### ***Investing Activities***

Net cash provided by investing activities in fiscal year 2023 was \$13.9 million. This is primarily due to net redemption of short-term securities amounting to \$76.0 million and proceeds from asset held for sale of \$6.0 million, which is partially offset by \$67.5 million of capital expenditures.

Net cash used in investing activities in fiscal year 2022 was \$139.3 million, which was primarily due to investment in short-term securities amounting to \$76.0 million and capital expenditures amounting to \$63.3 million.

See “Item 4.A. History and Development of the Company – Principal Capital Expenditures” for more information.

#### ***Financing Activities***

Net cash provided by financing activities in fiscal year 2023 was \$168.0 million. The significant cash activities were the proceeds from the issuance of common stock of \$193.5 million offset by net debt repayment of \$25.0 million. The gross inflows and outflows for the year were \$389.1 million and \$221.2 million respectively.

Net cash provided by financing activities in fiscal year 2022 was \$211.5 million. The significant cash activities were the proceeds from the issuance of the 2027 Notes of \$187.2 million, and additional debt borrowed of \$25.3 million. The gross inflows and outflows for the year were \$445.7 million and \$234.2 million respectively.

#### **Material Cash Requirements**

As of December 31, 2023 and January 1, 2023, our outstanding debt was \$433.6 million and \$459.2 million, respectively.

We expect total capital expenditures ranging from \$70 million to \$100 million in fiscal year 2024. As of December 31, 2023, we had \$70.5 million committed to capital expenditures through the issuance of purchase orders. The capital expenditures mainly relate to the conversion of our legacy Maxeon 3 capacity in the Philippines to Maxeon 7 technology and equipment for manufacture of our Performance line products in Malaysia and Mexico. We continue to evaluate our planned investments in our next generation Maxeon 8 technology, various programs to enhance our IT infrastructure and security, certain preparatory activities for our planned multi GW factory in the United States, as well as to support our Beyond the Panel offering.

Inflationary price increases impacting the cost of raw materials, manufacturing equipment, labor, electricity, and logistics services have had and could continue to have the effect of increasing our capital requirements. Additionally, shortages and shipping delays may require us to expend additional working capital to accumulate more buffer stocks of raw materials, semi-finished or finished goods.

Additionally, from time-to-time, we are required to provide financial and performance assurance to third parties and in connection with such obligations we procure letters of credit, bank guarantees, and surety bonds. The additional debt supporting these instruments results in increased expenses, collateralization and would likely impose new restrictive covenants.

#### **Anticipated Sources of Funds**

The Company has suffered recurring losses from operations and had an accumulated deficit of \$796.1 million as of December 31, 2023. Further, since the third quarter of 2023, the worldwide solar industry has suffered from oversupply and intense competition, as well as lower demand in our key markets driven by regulatory changes and a higher global interest-rate environment. All these factors have contributed to a steep fall in average selling prices that has negatively impacted our revenue, profitability and cash flows. Furthermore, several large customers in the United States have cancelled or deferred their off-take commitments, further contributing to the deterioration of the Company's financial condition. Our unrestricted cash and cash equivalent balance as at December 31, 2023 was \$190.0 million and this has deteriorated to \$98.0 million as at March 31, 2024. If the current market conditions persist and the Company is not successful in raising additional capital, the Company will not have sufficient liquidity to meet its financial obligations as and when they come due, and may be required to delay, limit, and/or reduce its operational activities. As such, there is substantial doubt about the Company's ability to continue as a going concern.

As part of the efforts to raise additional financing to alleviate the substantial doubt on going concern, management has received a funding commitment from our largest shareholder. TZE has agreed to provide long-term funding of up to \$197.5 million in debt, equity-linked and/or equity financing, subject to certain conditions and regulatory approvals. These conditions include but are not limited to the restructuring of the Company's Green Convertible Notes (as defined under "Note 11. Debt and Credit Sources.") on terms mutually acceptable to the Company and the noteholders, as well as certain regulatory approvals in China and the United States. These financing plans have obtained the approvals of the board of directors for both TZE and the Company. In addition, the Company has taken steps to enhance its ability to fund its operational expenses by reducing various costs and additionally, is prepared to take additional steps as and when necessary to further reduce its operating costs. In aggregate, while there can be no assurances that the Company will be able to obtain the needed financing which is subjected to regulatory approvals, management believes that the funding plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. Accordingly, we have prepared the consolidated financial statements on the going concern basis.

The current economic environment and market conditions could limit our ability to raise capital 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 our funding needs. The sale of additional equity or convertible debt



securities would result in dilution to our stockholders and additional debt would also result in increased expenses, collateralization and would likely impose new restrictive covenants.

The Company will continue to pursue opportunities to seek additional funding from time to time to fund capital expenditures and to better position it for execution on its strategy and to weather the challenges facing the industry. However, the Company can make no assurance that it will be able to successfully obtain additional financing.

In addition to pursuing financing opportunities, we continue to focus on improving our overall operating performance and liquidity by assessing and evaluating different options that may be available to us, such as reducing discretionary capital expenditures, selling raw materials inventory to third parties, liquidating certain investments, evaluating additional restructuring plans or strategic options and renegotiating for more favorable payment terms with customers and vendors. 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. Given the dynamic nature of the markets we operate in, the volatility in the capital markets, the current status of our business, including termination of our contractual relationship with SunPower, ongoing restructuring efforts, uncertain inflationary environment and a prolonged period of high interest rates, supply chain challenges, as well as the worldwide uncertainty created by ongoing wars and conflicts, we currently lack the visibility to reasonably quantify our expected long-term capital requirements and our ability to fully meet our short and long-term liquidity needs. Our short and long-term liquidity needs would be further negatively impacted if the macro conditions set forth above worsen or last a sustained period of time. See also Risk Factor “*We may be unable to obtain access to external financing necessary to make adequate capital expenditures necessary to improve our profitability, remain competitive and grow our business.*”.

Our liquidity is subject to various risks including the risks identified in “Risk Factors” and market risks identified in “Item 11. Quantitative and Qualitative Disclosures about Market Risk”.

#### **Liabilities Associated with Uncertain Tax Positions**

Due to the complexity and uncertainty associated with our tax positions, we cannot make a reasonably reliable estimate of the period in which cash settlement will be made for our liabilities associated with uncertain tax positions in other long-term liabilities. As of December 31, 2023 and January 1, 2023, the liabilities associated with uncertain tax position was \$5.5 million and \$16.8 million, included within “Other long-term liabilities” in our Consolidated Balance Sheets, respectively. The long-term unrecognized tax benefits are not expected to be paid within the next twelve months.

#### **Foreign Currency Exchange Risk**

Maxeon’s reporting and functional currency is the U.S. dollar for most entities. Generally, we minimize the foreign currency exposure and its gains and losses with natural matching of inflows and outflows. In addition, we use hedging strategies including consolidated balance sheet hedge with foreign currency forwards contract and participating forwards in order to mitigate foreign currency risk other than the functional currency.

Our exposure to movements in foreign currency exchange rates is primarily related to sales to European customers that are denominated in Euros. Revenue generated from these European customers represented 34% and 41% of our total revenue in fiscal years 2023 and 2022, respectively. A 10% change in the Euro exchange rate would have impacted our revenue by approximately \$37.8 million and \$43.7 million in fiscal years 2023 and 2022, respectively.

In the past, we have experienced an adverse impact on our revenue, gross margin and profitability as a result of foreign currency fluctuations. When foreign currencies appreciate against the U.S. dollar, inventories and expenses denominated in foreign currencies become more expensive. An increase in the value of the U.S. dollar relative to foreign currencies could make our solar power products more expensive for international customers, thus potentially leading to a reduction in demand, our sales and profitability. Furthermore, many of our competitors are foreign companies that could benefit from such a currency fluctuation, making it more difficult for us to compete with those companies.

As at December 31, 2023, we had designated outstanding cash flow hedge forward contracts with a notional value of \$111.8 million to hedge the exposure of Euro and Australian dollar against U.S. dollar. Because we hedge some of our expected future foreign exchange exposure, if associated revenues do not materialize we could experience a reclassification of gains or losses into earnings. Such a reclassification could adversely impact our revenue, margins and results of operations. We cannot predict the impact of future exchange rate fluctuations on our business and operating results.

We conduct hedging activities which involve the use of forward currency contracts that are designed to hedge our balance sheet exposure to changes in the foreign exchange rate between the U.S. dollar and other currencies although these contracts are not designated as hedging instruments. As at December 31, 2023 and January 1, 2023, we had outstanding forward currency contracts with aggregate notional values of \$26.3 million and \$14.9 million, respectively.

#### **Credit Risk**

We have certain financial and derivative instruments that subject us to credit risk. These consist primarily of cash and cash equivalents, restricted cash and cash equivalents, short-term securities, investments, accounts receivable and advances to suppliers, and derivative financial instruments. We are exposed to credit losses in the event of nonperformance by the counterparties to our financial and derivative instruments. Our investment policy requires cash and cash equivalents, restricted cash and cash equivalents, and investments to be placed with high-quality financial institutions and limits the amount of credit risk from any one issuer. We additionally perform ongoing credit evaluations of our customers' financial condition whenever deemed necessary and generally do not require collateral.

We entered into agreements with a vendor that specify future quantities and fixed pricing, except for adjustment for different product specifications, of silicon wafers to be supplied through fiscal year 2024. As of December 31, 2023, we have yet to make the advances to the supplier.

We enter into foreign currency derivative contracts with high-quality financial institutions and limit the amount of credit exposure to any single counterparty. As of December 31, 2023, the foreign currency derivative contracts are limited to a time period of nine months or less. We regularly evaluate the credit standing of our counterparty financial institutions.

#### **Interest Rate Risk**

We are exposed to interest rate risk because many of our customers depend on debt financing to purchase our solar power systems. An increase in interest rates could make it difficult for our customers to obtain the financing necessary to purchase our solar power systems on favorable terms, or at all, and thus lower demand for our solar power products, reduce revenue and adversely impact our operating results. An increase in interest rates could lower a customer's return on investment in a system or make alternative investments more attractive relative to solar power systems, which, in each case, could cause our customers to seek alternative investments that promise higher returns or demand higher returns from our solar power systems, thereby reducing gross margin and adversely impacting our operating results. This risk is significant to our business because our sales model is highly sensitive to interest rate fluctuations and the availability of credit, and would be adversely affected by increases in interest rates or liquidity constraints.

We do not believe that an immediate 10% increase in interest rates would have a material effect on our financial statements under potential future borrowings. In addition, lower interest rates would have an adverse impact on our interest income. Due to the relatively short-term nature of our investment portfolio, we do not believe that an immediate 10% decrease in interest rates would have a material effect on the fair market value of our money market funds. Since we believe we have the ability to liquidate substantially all of this portfolio, we do not expect our operating results or cash flows to be materially affected to any significant degree by a sudden change in market interest rates on our investment portfolio.

### **Equity Price Risk Involving Minority Investments in Joint Ventures and Other Non-Public Companies**

Our investments held in our joint ventures and other non-public companies expose us to equity price risk. As of January 1, 2023, investments of \$3.1 million, are accounted for using the equity method. As the Company is not contractually obligated to provide additional funding to the joint venture and therefore, the maximum exposure to loss is restricted to the carrying amount of the investment. Accordingly, the carrying amount of such equity method investment is nil as of December 31, 2023.

As of December 31, 2023 and January 1, 2023, investments of \$4.0 million for both period, are accounted for using the measurement alternative method.

These strategic equity investments in third parties are subject to risk of changes in market value and could result in realized impairment losses. We generally do not attempt to reduce or eliminate our market exposure in equity investments. We monitor these investments for impairment and record reductions in the carrying values when necessary. Circumstances that indicate an other-than-temporary decline include the valuation ascribed to the issuing company in subsequent financing rounds, decreases in quoted market prices and declines in operations of the issuer. There can be no assurance that our equity investments will not face risks of loss in the future.

### **Quantitative and Qualitative Disclosures About Market Risk**

See “Item 11. Quantitative and Qualitative Disclosures About Market Risk.”

### **5.C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.**

Our research and development spending totaled \$45.7 million and \$49.7 million for the fiscal years 2023 and 2022, respectively. As described in the “Risk Factors” section and elsewhere in this Form 20-F, government regulations and policies can make developing or marketing new technologies expensive or uncertain due to various restrictions on trade and technology transfers. See “Item 3.D. Risk Factors.” For further information on our research and development policies and additional product information, see “Item 4.B. Business Overview.”

### **5.D. TREND INFORMATION**

Please see “Item 5.A. Operating Results—Trends and Uncertainties” and “Item 4.B. Business Overview—Our Markets” for trend information.

### **5.E. CRITICAL ACCOUNTING ESTIMATES**

Please see “Item 5.A. Operating Results—Critical Accounting Policies and Significant Estimates” for critical accounting estimates information.

## **ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**

### **6.A. DIRECTORS AND SENIOR MANAGEMENT**

#### **Board of Directors**

Our Constitution provides that, subject to the regulations of Maxeon contained in the Constitution for the time being in force, the minimum number of directors is two and the maximum number is ten. We may vary the maximum number of directors by ordinary resolution from time to time. In accordance with the terms of the Shareholders Agreement, the Maxeon Board consists of ten directors, including two TotalEnergies designees, three TZE designees, four independent directors and Maxeon’s chief executive officer.

Director	Age	Appointment Date
William Mulligan, Chief Executive Officer	64	January 23, 2023
Kris Sennesael, Independent Director	55	June 7, 2022
Donald Colvin, Independent Director	71	August 13, 2020
Steve Leonard, Independent Director	62	June 7, 2021
David Li, Independent Director	52	September 15, 2023
Nikita Taldykin, TotalEnergies designee	44	October 25, 2021
Alban d'Hautefeuille, TotalEnergies designee	51	November 16, 2023
Shen Haoping, TZE designee	61	May 9, 2023
Xu Luo Luo, TZE designee	41	January 18, 2023
Sean Wang, TZE designee	60	October 17, 2022

## Biographies

### *William Mulligan, Chief Executive Officer*

William Mulligan is our Chief Executive Officer and member of our Board of Directors. Before joining Maxeon, he served as the Chief Operating Officer for Sila Nanotechnologies, a battery materials company. Prior to that, Dr. Mulligan held senior leadership positions at SunPower Corporation, including Executive Vice President of Global Operations, Vice President Technology Strategy and Vice President Research and Development. He was also President and Chief Executive Officer at SolarBridge Technologies, a micro inverter company. Before that he has held engineering roles at AstroPower and Fairchild/National Semiconductor. Dr. Mulligan has almost 30 years of solar industry experience and over 30 technical publications relating to solar technology to his credit. Dr. Mulligan holds a B.A. in History and a B.S. in Chemistry from the University of Washington, a M.S.E. in Chemical Engineering from the University of Michigan, and a Ph.D. in Materials Science from Colorado School of Mines.

### *Kris Sennesael*

Kris Sennesael serves as an independent director on Maxeon's Board of Directors, Chairman of the Audit Committee of our Board (the "Audit Committee"), member of the Nominating and Corporate Governance Committee and member of the Coordination Committee. Kris Sennesael is currently the Senior Vice President and Chief Financial Officer of Skyworks Solutions, an innovator of high performance analog semiconductors with over \$5 billion in revenues. Previously, Mr. Sennesael served as Chief Financial Officer for Enphase Energy, a semiconductor-based renewable energy solutions provider, from September 2012 to August 2016. Earlier, he served as Chief Financial Officer for Standard Microsystems Corporation, a global fabless semiconductor company, from January 2009 to August 2012, prior to which he held financial positions at ON Semiconductor, AMI Semiconductor, and Alcatel Microelectronics. Mr. Sennesael graduated from the University of Ghent, Belgium, with a Bachelor of Economics and Master of Economics, and from the Vlerick Management School with a Master in Business Administration.

### *Donald Colvin*

Donald Colvin serves as an independent director and Chairman of Maxeon's Board, Chairman of the Compensation Committee and member of the Audit Committee. Mr. Colvin also serves as an independent director and chairman of the audit committee for Viavi Solutions and Agilysys. Mr. Colvin has served on other boards throughout his career, including as an independent director on the audit committee for Applied Micro Circuits Corporation and Isola and an advisory board member for Conexant Systems. Mr. Colvin was interim Chief Financial Officer for Isola during 2015 and 2016, appointed by their board to restructure the company, and prior to this was Chief Financial Officer of Caesars Entertainment Corporation from November 2012 to January 2015. Mr. Colvin has also served as Chief Financial Officer for ON Semiconductor Corp., Amtel Corporation and European Silicon

Structures. Mr. Colvin has also held a number of financial leadership positions for multinational companies. Mr. Colvin holds a B.A. in economics and an M.B.A. from the University of Strathclyde in Scotland.

***Steve Leonard***

Steve Leonard serves as an independent non-executive director on Maxeon's Board of Directors, as Chairman of the Nominating and Corporate Governance Committee and the Coordination Committee, and as a member of the Audit Committee. Mr. Leonard also currently serves as an independent non-executive director of Singapore Post Ltd. (SingPost), an international leader in e-commerce logistics and services; of AsiaSat, a privately held Hong Kong-based satellite operator; and of SC Bank Solutions (Singapore) Ltd., a digital-banking joint venture between Standard Chartered Bank and NTUC Enterprise. Mr. Leonard is also a Managing Partner with SDG Impact Japan, a sustainability-focused investment platform based in Tokyo and is a venture-investment advisor to Singularity University. Mr. Leonard serves on the advisory board of Cambridge Innovation Capital, a deep-tech venture capital firm with strong links to the University of Cambridge in England. Mr. Leonard has over 30 years of experience in the private sector building information technology companies throughout Europe and Asia. Mr. Leonard also has seven years of experience in the public sector working for the Singapore government in which he led various national efforts to expand entrepreneurial and corporate-innovation ecosystems as part of an innovation-led economy.

***David Li***

David Li serves as an independent director on Maxeon's Board of Directors and member of the Audit Committee and the Compensation Committee. Mr. Li has over 25 years of experience in the semiconductor industry. From 2015 to 2022 he was Chief Executive Officer, President, and a board member of CMC Materials, a leading global supplier of specialty materials focused on the semiconductor and energy industries with over \$1 billion USD in revenues. From 2006 and 2015, Mr. Li served as Vice President Asia Pacific Region and also held various leadership positions at CMC Materials. From 1997 and 2006 he covered a variety of senior engineering, sourcing, investor relations, and corporate development roles. David Li currently sits on the board of Coorstek, a company which specializes in the manufacture of high-performance ceramics for advanced applications. Mr. Li graduated from the Purdue University, West Lafayette, IN, in 1995 with a Bachelor of Science in Chemical Engineering, and from the Northwestern University (Kellogg), Chicago, IL, in 2002 with a Master in Business Administration (MBA).

***Nikita Taldykin***

Nikita Taldykin serves as a director designated by TotalEnergies on Maxeon's Board of Directors and member of the Nominating and Corporate Governance Committee. Since 2018, Mr. Taldykin has been the Vice President and General Counsel – Upstream and Corporate Services of TotalEnergies American Services, located in Houston, Texas. In this role, he sits on several management committees and boards of directors and is responsible for corporate governance and managing legal and compliance affairs for TotalEnergies' upstream affiliates in the United States. He joined TotalEnergies in 2010 and has since held several business development and legal roles. Mr. Taldykin began his career in private practice at Vinson & Elkins LLP, where he focused on domestic and cross-border energy transactions across Asia-Pacific, Europe, North America, Africa, Latin America and the Caribbean. Mr. Taldykin obtained a Bachelor of Arts in Government and Economics from Georgetown University and a Juris Doctor from Georgetown University Law Center, located in Washington, D.C

***Alban d'Hautefeuille***

Alban d'Hautefeuille serves as a director designated by TotalEnergies on Maxeon's Board of Directors and member of the Compensation Committee and the Coordination Committee. Since 2019, Mr. d'Hautefeuille has been the Director in charge of Asia Pacific within Offshore Line Business Unit of Total Renewables, located in Singapore. He joined TotalEnergies in 1997 and has since held various finance and business management positions in Africa, Middle East and Asia. In 2013, Mr. d'Hautefeuille moved to the then nascent New Energies Unit (later became REN division within Gas Renewables & Power). Mr. d'Hautefeuille was successively in charge of solar utility-scale developments in Asia and Middle East until 2017. From 2018 to 2019, he oversaw the launching of a

distributed solar activity in the Middle East too. Mr. d’Hautefeuille graduated from EDHEC Business Schools (MSc) and Dauphine University.

***Shen Haoping***

Shen Haoping serves as a director designated by TZE on Maxeon’s Board of Directors and member of the Coordination Committee. He is the Vice Chairman and CEO of TCL Zhonghuan Renewable Energy Technology Co. Ltd., a public company listed at Shenzhen Stock Exchange. Currently Mr. Shen is also a board member and Senior Vice President of TCL Technology Group Corporation. He was ranked as one of the best CEOs by Forbes China in 2022. Mr. Shen has many years of experience in the design and manufacturing of photovoltaic mono silicon materials. He has presided over several key large-scale R&D projects, and led TZE to win the top industry honors such as China patent excellence award, China innovation-oriented enterprise and Forbes China potential enterprise. Under Mr. Shen’s leadership, TZE has built a world-leading photovoltaic silicon ingot and wafer R&D, manufacturing and sales organization. Mr. Shen received his Bachelor’s Degree in semiconductor physics from Lanzhou University.

***Xu Luo Luo***

Mr. Xu Luo Luo serves as a director designated by TZE on Maxeon’s Board of Directors and member of the Nominating and Corporate Governance Committee. Mr. Xu Luo Luo is the Associate President of TCL Group since 2018, in this role, he is responsible for corporate development, merger and acquisition, partnership, strategic investment and capitalization, he sits on several management committees including TCL Group investment committee and TCL Capital, and he has held various management positions within TCL Group since 2012. Mr. Xu also currently serves as vice-chairman at Printronics Circuit, a specialized PCB manufacturer listed on Shenzhen Stock Exchange, director at Homa, a refrigerator ODM manufacturer listed on Shenzhen Stock Exchange; he has served on other boards throughout his career, including as Chairman of Highly, a consumer electronics distributor listed on Beijing Stock Exchange. Previously, he has held various management position at BAIC/Foton Motor, a commercial vehicle manufacturer listed on Shanghai Stock Exchange, and AVL, a world’s leading mobility technology provider for development, simulation and testing of powertrain. At TCL, he has led numerous growth and transformation initiatives, including spin-off of TCL Industries (incl. TCL Electronics, the world’s leading TV manufacturer listed on Hong Kong Stock Exchange, and Tonly, a leading audio and video ODM manufacturer) from TCL Group, TCL acquisition of Zhonghuan, one of the world’s top solar ingot and wafer manufacturer listed on Shenzhen Exchange, Printronics Circuit, and Homa. Mr. Xu holds a bachelor degree in computer science, and postgraduate degree in excellence management from University of Warwick.

***Sean Wang***

Mr. Sean Wang serves as a director designated by TZE on Maxeon’s Board of Directors and member of the Compensation Committee. Mr. Wang is the Executive President of International Operations for TZE. Prior to his role at TZE, he was Chairman of Shanghai E-Talent Digitech Investment from October 2019 to June 2022. Earlier, Mr. Wang served as the Senior Vice President and Chief Investment Director of ENN Group from March 2018 to September 2019 and has held senior management roles at ENN Energy Holdings Limited. Prior to this, Mr. Wang was a managing partner at Sino-Sin Investment Fund and an Executive Director and Chief Financial Officer at China Rongsheng Heavy Industries Group, and has held various other executive leadership roles during his career. Mr. Wang graduated from Hamline University in 1986 with a Bachelor of Economics and from the Carlson School of Management at the University of Minnesota with a Master of Business Administration in 1989.

**Senior Management**

The following table sets forth information regarding our senior management as of the date of this Form 20-F. William Mulligan serves as our Chief Executive Officer.

<b>Name</b>	<b>Age</b>	<b>Title</b>	<b>Appointment Date</b>
Kai Strohbecke	53	Chief Financial Officer	March 15, 2021
Lindsey Roon Wiedmann	46	Chief Legal & Sustainability Officer	August 21, 2020
Peter Aschenbrenner	68	Chief Strategy Officer	August 21, 2020
Tiffany See	48	Chief Human Resources Officer	August 21, 2020
Ralf Elias	53	Chief Product Officer	July 1, 2021
Matt Dawson	46	Chief Technology Officer	March 15, 2023
Vikas Desai	55	Chief Commercial Officer	April 1, 2024

**Biographies*****Kai Strohbecke, Chief Financial Officer***

Kai Strohbecke who joined Maxeon on March 15, 2021 is our Chief Financial Officer. Mr. Strohbecke most recently served as the Vice President Finance and Global Operations Controller for Micron Technology. Prior to 2013, he served for ten years as CFO at Inotera Memories, a memory semiconductor manufacturing company located in Taiwan that he helped list on the Taiwan Stock Exchange in 2006. Before 2003, Mr. Strohbecke worked in various management roles with increasing responsibility at Infineon and Siemens Semiconductor Group. Mr. Strohbecke holds a bachelor's degree in Business Administration from Berufsakademie Mannheim, Germany and a joint EMBA degree from Tsinghua University (Beijing) and INSEAD.

***Lindsey Roon Wiedmann, Chief Legal & Sustainability Officer***

Lindsey Wiedmann is our Chief Legal & Sustainability Officer and leads our global legal and sustainability teams. During her decade with SunPower before continuing with Maxeon in 2020, she has provided legal expertise in the areas of project finance and development, mergers and acquisitions, joint ventures, corporate governance, compliance, disputes and other significant matters in support of the residential, commercial and power plant business units globally with legal teams in France, Mexico and the United States. Ms. Wiedmann was also the lead SunPower attorney for 8point3 Energy Partners LP's initial public offering in 2015 and nearly three years of acquisitions and operational activity as a public company. Prior to joining SunPower, Ms. Wiedmann spent six years practicing project finance at Latham & Watkins LLP in San Francisco and Singapore. Ms. Wiedmann received her Bachelor of Science degree from University of California, San Diego and her Juris Doctor degree from Columbia Law School.

***Peter Aschenbrenner, Chief Strategy Officer***

Peter Aschenbrenner is our Chief Strategy Officer. Prior to joining Maxeon he served as SunPower's Executive Vice President of Corporate Strategy and Business Development, responsible for driving SunPower's strategy, mergers and acquisition and business activities. Previously, he was SunPower's Vice President of Marketing and Sales, where he established the SunPower brand and oversaw development of the industry's first dealer network program. Prior to joining SunPower in 2003, Mr. Aschenbrenner served as Senior Vice President of Global Operations at AstroPower, Inc., a solar product manufacturing company. He has more than 40 years of solar industry experience, including management positions at Siemens Solar, PV Electric GmbH and ARCO Solar. Mr. Aschenbrenner graduated from Stanford University in 1978 with a Bachelor of Arts degree in product design.

***Tiffany See, Chief Human Resources Officer***

Tiffany See is our Chief Human Resources Officer and is responsible for developing and executing human resource strategy in support of the overall business plan and strategic direction of the organization, specifically in the

areas of succession planning, talent management, change management, organizational and performance management, training and development, and compensation. Before joining Maxeon, since November 2018, she was Head of Asia- Human Resources at BHP, a global resources company. Prior to BHP, Ms. See was Executive Director, Human Resources (Asia), for Dell Technologies, where she spent 17 years in a variety of human resources leadership positions. Ms. See holds a bachelor's degree in Commerce from the University of Newcastle (Australia), and a Bachelor of Laws from University of New England (Australia). Ms. See is also a Certified Solution Focused Coach.

***Ralf Elias, Chief Product Officer***

Mr. Elias brings more than two decades of executive experience to Maxeon, including serving as Global Vice President IoT/Global Business Development and Partnerships at Samsung Electronics. Prior to that, Mr. Elias worked for 14 years in various management roles with increasing responsibility at Vodafone Group, where he became Group Head of Products and Innovation, and General Manager Product Development. At Vodafone he led numerous innovative engineering and commercial projects for add-on services culminating in the development of the global SMART HOME and Consumer IoT strategy. Mr. Elias holds a Bachelor degree in mechanical engineering from the University of Essen, and an MBA from the Technical University of Munich.

***Matt Dawson, Chief Technology Officer***

Matt Dawson is our Chief Technology Officer. Before joining Maxeon, he served as the Vice President of Technology at Sila Nanotechnologies, a battery materials company. Prior to that, he held various leadership roles at SunPower Corporation, where in 2019 he became Vice President of Research and Development and was responsible for technology strategy, cell and module product development, and the company's R&D lab infrastructure. With over 15 years' experience developing and deploying products across the solar energy value chain, Matt Dawson has a proven track record of scaling innovation from R&D stage to volume manufacturing and delivering success in competitive commercial environments. Mr. Dawson holds a B.A. in English Literature, a B.Sc. in Engineering Physics, and an Executive MBA from Queen's University (Kingston, Canada), and a M.A.Sc. in Engineering Physics from the University of British Columbia (Vancouver, Canada).

***Vikas Desai, Chief Commercial Officer***

Vikas Desai is Maxeon's Chief Commercial Officer, responsible for our global go-to-market and customer-facing functions. A solar energy and technology executive with over twenty years' experience, Mr. Desai has built and scaled multiple global businesses spanning hardware and software for both B2B and B2C. He joined Maxeon following the Company's acquisition of assets from Complete Solaria in October 2023, where he had served as President since October 2021. Previously, he has held leadership roles at Powerside, Flextronics, SunEdison, SunPower, EchoFirst and other technology companies. Mr. Desai received an MBA from the University of California, Berkeley, Haas School of Business, a Master's degree in Power Electronics Engineering from Loughborough University, and his Bachelor's degree in Electrical Engineering from L.D. College of Engineering.

**6.B. COMPENSATION**

**Non-Employee Director Compensation**

In August 2020, our Board adopted a policy for cash and equity-based compensation that shall be payable to eligible non-employee members of the Board who are not nominated representatives of TotalEnergies and TZE, or their corporate affiliates ("Outside Directors"). This Outside Directors compensation policy was revised from January 1, 2024.

Each eligible Outside Director is eligible to receive an annual fee as set forth below, for services performed for the Board in accordance with the following Committee-based fee structure (the "Annual Fees"):



Board Role	Fees Paid in Cash		Fees Paid in Equity (USD)	
	Chairman	Member	Chairman	Member
Board	\$115,000	\$72,000	\$200,000	\$200,000
Audit Committee	\$23,000	\$13,000		
Compensation Committee	\$16,000	\$8,000		
Nominating & Corporate Governance Committee	\$15,000	\$6,000		
Coordination Committee	—	—		

Each Outside Director shall be eligible to receive an Annual Fee of \$200,000 in equity plus Annual Fee in cash equal to the sum of the cash fees for service on the Board and for service as a Chair and/or Member of one or more Committees of the Board, if any, for the Company's fiscal year. The Chairman of the Board, if he or she qualifies as an Outside Director, shall be eligible to receive an Annual Fee of \$200,000 in equity plus Annual Fee in cash equal to the sum of the fees for service as the Chairman of the Board and for service, as a Chair and/or Member of one or more Committees of the Board, if any, for the Company's fiscal year. RSUs will vest immediately upon grant.

A stock ownership guidelines policy was adopted by the Company in June 2021, requiring Outside Directors to hold Maxeon shares equal or greater than 3x annual cash retainer fees. Outside Directors have five years to achieve compliance.

For fiscal year 2023, we paid and accrued fees and compensation of approximately \$0.4 million and granted 58,821 RSUs to our Outside Directors.

#### Executive Officer Compensation

Our Executive Compensation program for fiscal year 2023 include the following:

- A Corporate Bonus Plan ("CBP") payable annually in the form of cash. The payouts are dependent on meeting a number of corporate and individual objectives, including Maxeon's financial performance and achievement of key results, as well as individual performance;
- Time-based RSUs that generally vest over three years;
- Performance-based restricted stock units ("PSUs") that generally vest over two years after achieving performance targets as determined from time-to-time; and
- Transformation Performance Share Unit Plan ("Transformation PSU Plan") with a number of PSUs to be vested after achieving certain targets for the respective performance period ("Transformation PSU Grant"). 40% of the Transformation PSU Grant will vest in two equal annual installments, upon achieving the one-year target and 60% of the Transformation PSU Grant will vest in two equal annual installments, upon achieving the two-year target. The vesting of the award is subjected to continuous service through the applicable vesting date. The Transformation PSU Plan is introduced to replace the previous Transformation Incentive Plan ("TIP") that was granted in fiscal year 2022 which has since been terminated with the grant of the Transformation PSU Plan. The introduction of the Transformation PSU Plan modified the key terms and conditions of TIP from performance-based condition to a market-based condition, and accordingly has been treated as modification of award from liability award to equity award. The modification affected 8 grantees who were previously qualified for the TIP but did not result in a significant incremental compensation cost.

A stock ownership guidelines policy was adopted by the Company in June 2021, requiring the Chief Executive Officer to hold Maxeon shares equal or greater than 3x annual base salary and other Executive Officers to hold Maxeon shares equal or greater than 1x annual base salary. Executive officers have five years to achieve compliance.

For fiscal year 2023, we paid and accrued compensation of approximately \$6.7 million and granted 671,918 RSUs and 1,299,676 PSUs to our Executive Officers. The amount of compensation paid include benefits-in-kind such as insurance premiums, retirement plans and other benefits as the Company deems suitable.

Our Singapore subsidiaries are required by the laws and regulations of Singapore to make contributions, as employers, to the Central Provident Fund for all employees, including executive officers, working in Singapore who are Singapore citizens or permanent residents and employed by our Singapore subsidiaries as prescribed under the Central Provident Fund Act 1953 of Singapore. The contribution rates vary, depending on the age of the employees.

## **6.C. BOARD PRACTICES**

### **General**

The composition of the Maxeon Board and committees of the Maxeon Board are governed by our Constitution, together with the Shareholders Agreement. The current term of office for our independent directors will expire at our next annual meeting and the directors who serve as designees pursuant to the Shareholders Agreement shall continue to serve in accordance with the Shareholders Agreement or until their successor is designated by such designating shareholder. For the appointment dates of the members of the Maxeon Board, refer to “Item 6.A Directors and Senior Management.” None of our directors are party to an agreement providing for benefits upon termination of employment.

### **Composition of the Maxeon Board**

The Maxeon Board consists of 10 directors, including two TotalEnergies designees, three TZE designees, four independent directors and our Chief Executive Officer. Mr. Colvin is the Chairman of the Maxeon Board. The Chairman is entitled to a casting vote in the case of an equality of votes.

The Shareholders Agreement includes provisions adjusting the rights of each of TotalEnergies and TZE to designate a particular number of directors depending on changes in their share ownership, including a provision allowing either shareholder, if they acquire at least 50% of our shares, to designate a majority of the directors. Each of TotalEnergies and TZE will lose the right to designate any directors if they hold less than 10% of our outstanding shares.

### **Committees of the Maxeon Board**

So long as TotalEnergies or TZE have the right to designate at least one director to the Maxeon Board, each committee of the Maxeon Board other than the Audit Committee will contain a board designee of such shareholder. Generally, if the other shareholder also has a right to designate at least one director, then the number of appointees to each committee for each shareholder shall be equal. All committees will have at least two independent directors and the Audit Committee will be composed entirely of independent directors.

The Maxeon Board delegates certain of its responsibilities to the following committees: the Audit Committee, the Compensation Committee, the Coordination Committee, and the Nominating and Corporate Governance Committee, the purpose and responsibilities of each which are described further below.

#### ***Audit Committee***

Messrs. Sennesael (Chair), Leonard, Colvin and Li are members of the Audit Committee.

The purpose of the Audit Committee is primarily to:

- oversee our accounting and financial reporting processes;
- oversee the audit of our financial statements and internal controls by our independent public registered accounting firm;
- assist the Maxeon Board in the oversight of our compliance with legal and regulatory requirements and performance of the internal audit function;
- oversee management’s identification, evaluation, and mitigation of major risks to us;
- oversee our privacy and data security risk exposures and mitigations, including the strategic direction, objectives, and effectiveness of our cybersecurity risk management framework; and
- provide to the Maxeon Board such information as it may deem necessary to make the Maxeon Board aware of the financial matters requiring its attention.

***Compensation Committee***

Messrs. Colvin (Chair), D’Hautefeuille, Wang and Li are members of the Compensation Committee.

The purpose of the Compensation Committee is primarily to:

- implement, review and modify the compensation of the Maxeon Board and senior management;
- oversee our compensation philosophy; and
- administer our equity incentive plans.

***Coordination Committee***

Messrs. Leonard (Chair), Sennesael, D’Hautefeuille and Shen are members of the Coordination Committee.

The purpose of the Coordination Committee is primarily to discuss our business opportunities and our performance against targets set forth in our approved annual budget.

***Nominating and Corporate Governance Committee***

Messrs. Leonard (Chair), Sennesael, Taldykin and Xu are members of the Nominating and Corporate Governance Committee.

The purpose of the Nominating and Corporate Governance Committee is primarily to:

- select and recommend candidates for members of the Maxeon Board;
- evaluate whether incumbent directors should be nominated for re-election to the Maxeon Board upon expiration of such directors’ terms; and
- oversee the Company’s environmental, social and governance (“ESG”) programme.

Except by an ordinary resolution of the shareholders (which may be general or specific to a transaction or contractual arrangement), a director and the chief executive officer (or person(s) holding an equivalent position), are not permitted to vote in respect of any contract or proposed contract or arrangement with us in which he or she has directly or indirectly a personal material interest and if he or she does so his or her vote will not be counted nor, except where present in the capacity of a proxy, will he or she be counted in the quorum present at the meeting. Neither of these prohibitions will apply to: (i) any arrangement for giving any director or chief executive officer (or person(s) holding an equivalent position) any security or indemnity in respect of money lent by him or her to or obligations undertaken by him or her for the benefit of our company, (ii) any arrangement for the giving by our company of any security to a third party in respect of a debtor obligation of our company for which the director or

chief executive officer (or person(s) holding an equivalent position) himself or herself has assumed responsibility in whole or in part under a guarantee or indemnity by the deposit of security or (iii) any contract by a director or chief executive officer (or person(s) holding an equivalent position) to subscribe for or underwrite shares or debentures of our company.

There is no age limit requirement for directors to retire.

### Board Diversity

Maxeon is committed to a policy of inclusion and follows the guiding principle that our Board of Directors composition should reflect diversity of experience and perspectives.

In furtherance of this commitment, when considering candidates to fill an open seat on the Board of Directors, the Nominating & Corporate Governance Committee will request that the pool of potential candidates to be considered by the Nominating & Corporate Governance Committee for nomination to the Board of Directors include a diverse group of qualified candidates in terms of experience and skills, age and tenure, gender, ethnic and social background.

In addition, the Nominating & Corporate Governance Committee shall review periodically the composition of the Board of Directors to ensure it reflects the knowledge, experience, skills and diversity required for the Board of Directors to fulfil its duties.

The table below provides certain highlights of the composition of our directors. Each of the categories listed in the below table has the meaning as it is used in Rule 5605(f) of the Nasdaq Listing Standards (the “Nasdaq Listing Rules”).

**Board Diversity Matrix (As of May 21, 2024)**

Country of Principal Executive Offices	Singapore			
Foreign Private Issuer	Yes			
Disclosure Prohibited Under Home Country Law	No			
Total Number of Directors	10			
	<b>Female</b>	<b>Male</b>	<b>Non-Binary</b>	<b>Did Not Disclose Gender</b>
<b>Part I: Gender Identity</b>				
Directors	0	10	0	0
<b>Part II: Demographic Background</b>				
Underrepresented Individual in Home Country Jurisdiction			0	
LGBTQ+			0	
Did Not Disclose Demographic Background			0	

Our Board Diversity Matrix as of February 24, 2023, can be found on our Annual Report on Form 20-F for the year ended December 31, 2022, which was filed with the SEC on March 7, 2023, and is available on EDGAR at [sec.gov](http://sec.gov). Under the Nasdaq Listing Rule 5605(f), Nasdaq-listed companies that are also foreign private issuers are required to have at least one “diverse” (as defined by the Nasdaq Listing Rules) director prior to December 31, 2023, and at least two “diverse” directors by December 31, 2025, or otherwise explain the reasons for not meeting this diversity objective.

The composition of our Board of Directors does not currently meet Nasdaq’s diversity objective, as shown in the above Board Diversity Matrix. We are mindful of the benefit that diversity can provide in maximizing the effectiveness and decision-making abilities of our Board of Directors, and as described above, our Nominating & Corporate Governance Committee aims to achieve a composition of our Board that reflects the knowledge, experience, skills and diversity required for the Board of Directors to fulfil its duties. In accordance with the

Shareholders Agreement, the composition of our Board of Directors includes five of our directors being nominated by our two largest shareholders, TotalEnergies and TZE, and the pool of those nominees is naturally more limited given the required affiliation with those shareholders. Our Nominating & Corporate Governance Committee is committed to increasing representation of underrepresented individuals and female representation on the Board as vacancies for which it has authority to nominate individuals arise, which is one of several factors to be used in the search process for candidates, whom would also need to meet the Nasdaq independence standards if they were to be also members of our Audit Committee.

#### **Corporate Governance Differences**

The NASDAQ allows a foreign private issuer, such as Maxeon, to follow its home country practices in lieu of certain NASDAQ corporate governance standards. We rely on a number of these exemptions, which are described below:

- We rely on an exemption from the requirement that a majority of the Maxeon Board be “independent” as defined by the Nasdaq Listing Rules..
- We rely on an exemption from the requirement that an issuer provide for a quorum as specified in its bylaws for any meeting of the holders of ordinary shares, which quorum may not be less than 33 1/3% of the outstanding shares of an issuer’s voting ordinary shares. In compliance with the Singapore Companies Act, our Constitution provides that two members of Maxeon present in person (and includes a person attending as a proxy or as representing a corporation which is a member) shall constitute a quorum for a general meeting.
- We rely on an exemption from the requirement that all members of our Compensation Committee be “independent” as defined in the Nasdaq Listing Rules.. While the Maxeon Board established a Compensation Committee, the Singapore Companies Act does not require us to maintain such a committee nor does it impose a requirement that all members are independent. Similarly, Singapore law does not require that we disclose information regarding third-party compensation of our directors or director nominees.
- We rely on an exemption from the requirement that our Nominating and Corporate Governance Committee be “independent” as defined in the Nasdaq Listing Rules. The Singapore Companies Act does not require a Nominating and Corporate Governance Committee to be comprised entirely of independent directors, and nominations of persons for election to the Maxeon Board will be recommended by our Nominating and Corporate Governance Committee whose members are not all independent directors as defined by the Nasdaq Listing Rules.
- We rely on an exemption from the requirement that issuers obtain shareholder approval prior to the issuance of securities in connection with certain acquisitions, changes of controls or private placements of securities, or the establishment or amendment of certain stock option, purchase or other compensation plans. Under the Singapore Companies Act, new shares may be issued only with the prior approval of our shareholders in a general meeting. Approval, if granted, shall continue in force until the earlier of:
  - the conclusion of the next annual general meeting after the date on which the approval was given; and
  - the expiration of the period within which the next annual general meeting after that date is required by law to be held.

Any such approval may be revoked or varied by the company in a general meeting.

#### **Code of Conduct and Business Ethics**

The Maxeon Board has adopted a written Code of Business Conduct and Ethics reinforcing our guiding principles to act with the highest level of integrity and ethical standards and setting forth our expectations regarding personal and corporate conduct for all of our directors, officers, employees and representatives.

## Related Party Transactions Policy

The Maxeon Board has adopted a written Related Party Transactions Policy governing the notification, review, approval and ratification of related party transactions involving Company's directors, officers, and significant shareholders. Under such policy, the Company will enter into or ratify related party transactions only when the Audit Committee determines that the related party transaction in question is in, or is not inconsistent with, the best interests of the Company and the shareholders.

## 6.D. EMPLOYEES

The table below sets forth the breakdown of the total year-end number of our full-time equivalent employees by main category of activity for the past three fiscal years.

	As of		
	December 31, 2023	January 1, 2023	January 2, 2022
	(full-time equivalents)		
Marketing & Sales	177	131	96
Production & Supply	3,292	4,788	3,788
Research & Development	176	197	112
General & Administrative	243	228	206
<b>Total</b>	<b>3,888</b>	<b>5,344</b>	<b>4,202</b>

The table below sets forth the breakdown of the total year-end number of our full-time equivalent employees by geography for the past three fiscal years.

	As of		
	December 31, 2023	January 1, 2023	January 2, 2022
	(full-time equivalents)		
Australia	28	28	22
China	43	45	40
Europe	134	111	127
India	1	—	—
Japan	9	10	8
Malaysia	852	1,773	1,408
Mexico	1,626	2,068	1,397
Philippines	918	1,081	1,105
Singapore	112	97	74
South Africa	8	10	10
United Kingdom	5	6	3
United States	152	115	8
<b>Total</b>	<b>3,888</b>	<b>5,344</b>	<b>4,202</b>

Although in certain countries we have works councils and statutory employee representation obligations, our employees are generally not represented by labor unions on an ongoing basis. We have never experienced a work stoppage, and we believe our relations with our employees to be good.

## 6.E. SHARE OWNERSHIP

The following sets forth the total amount of Maxeon shares directly or indirectly owned by Maxeon's directors and executive officers as of May 17, 2024. This is based on 54,876,005 Maxeon shares outstanding as of May 21,

2024.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that such person has the right to acquire within 60 days of May 21, 2024, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

Holder	Maxeon Shares	Percentage Ownership
William Mulligan	87,717	*
Donald Colvin <sup>(1)</sup>	60,920	*
Steve Leonard <sup>(2)</sup>	63,431	*
Kris Sennesael <sup>(3)</sup>	42,398	*
Alban d'Hautefeuille <sup>(4)</sup>	—	*
David Li <sup>(5)</sup>	39,963	*
Nikita Taldykin <sup>(6)</sup>	—	*
Sean Wang <sup>(7)</sup>	—	*
Shen Haoping <sup>(8)</sup>	—	*
Xu Luo Luo <sup>(9)</sup>	—	*
Kai Strohbecke	44,659	*
Lindsey Roon Wiedmann	48,477	*
Peter Claus Aschenbrenner	65,663	*
Tiffany See	56,996	*
Ralf Elias	22,039	*
Matt Dawson	10,045	*
Vikas Desai <sup>1</sup>	300	*

\* Less than 1%.

<sup>(1)</sup> Represents (i) 60,920 ordinary shares held or beneficially owned by Mr. Colvin, and (ii) NIL ordinary shares issuable upon vesting of RSUs held by Mr. Colvin within 60 days from May 21, 2024.

<sup>(2)</sup> Represents (i) 63,431 ordinary shares held or beneficially owned by Mr. Leonard, and (ii) NIL ordinary shares issuable upon vesting of RSUs held by Mr. Leonard within 60 days from May 21, 2024.

<sup>(3)</sup> Represents (i) 42,398 ordinary shares held or beneficially owned by Mr. Sennesael, and (ii) NIL ordinary shares issuable upon vesting of RSUs held by Mr. Sennesael within 60 days from May 21, 2024.

<sup>(4)</sup> Mr. d'Hautefeuille is an executive officer of TotalEnergies and may be deemed to have beneficial interests in the shares beneficially owned by TotalEnergies, but he disclaims beneficial ownership of such shares.

<sup>(5)</sup> Represents (i) 39,963 ordinary shares held or beneficially owned by Mr. Li, and (ii) NIL ordinary shares issuable upon vesting of RSUs held by Mr. Li within 60 days from May 21, 2024.

<sup>(6)</sup> Mr. Taldykin is an executive officer of TotalEnergies and may be deemed to have beneficial interests in the shares beneficially owned by TotalEnergies, but he disclaims beneficial ownership of such shares.

<sup>(7)</sup> Mr. Wang is a director of TZE and may be deemed to have beneficial interests in the shares beneficially owned by TZE, but he disclaims beneficial ownership of such shares.

- (8) Mr. Shen is a director of TZE and may be deemed to have beneficial interests in the shares beneficially owned by TZE, but she disclaims beneficial ownership of such shares.
- (9) Mr. Xu is an executive officer of TZE and may be deemed to have beneficial interests in the shares beneficially owned by TZE, but he disclaims beneficial ownership of such shares.

None of our shareholders have different voting rights from other shareholders as of the date of this annual report on Form 20-F.

#### 6.F. DISCLOSURE OF A REGISTRANT'S ACTION TO RECOVER ERRONEOUSLY AWARDED COMPENSATION

Not Applicable.

### ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

#### 7.A. MAJOR SHAREHOLDERS

The information below describes the beneficial ownership of our shares by each person or entity that beneficially own 5% or more of our shares, as of May 21, 2024.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that such person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

As of May 21, 2024, we believe that there were 450 record holders in the United States and no more than 48.6% of our outstanding shares are held of record by residents of the United States.

Holder	Maxeon Shares	Percentage Ownership
TotalEnergies SE <sup>(1)(3)</sup>	8,000,931	14.6 %
Zhonghuan Singapore Investment and Development Pte. Ltd. ("TZE SG") <sup>(2)(4)</sup>	12,285,692	22.4 %
BlackRock, Inc. <sup>(5)</sup>	5,401,371	10.2 %
The Goldman Sachs Group, Inc. and Goldman Sachs & Co. LLC. <sup>(6)</sup>	2,702,844	5.1 %

<sup>(1)</sup> Based on the information contained in a Schedule 13D/A filed with the SEC on May 23, 2023 by TotalEnergies SE. TotalEnergies Solar INTL SAS is a direct wholly owned subsidiary of TotalEnergies Gaz Electricité Holdings France SAS, which is an indirect wholly owned subsidiary of TotalEnergies SE. Each of TotalEnergies SE, TotalEnergies Gaz Electricité Holdings France SAS and TotalEnergies Solar INTL SAS have shared voting and dispositive power over 8,000,931 Maxeon shares.

<sup>(2)</sup> Based on the information contained in a Schedule 13D filed with the SEC on May 24, 2023 by Zhonghuan Singapore Investment and Development Pte. Ltd, a direct wholly owned subsidiary of TZE ("TZE SG"). TZE has shared voting and dispositive power over 12,285,692 ordinary shares. The amount of ordinary shares presented excludes ordinary shares issuable upon conversion of the 2027 Notes held by Zhonghuan Singapore Investment and Development Pte. Ltd. (including ordinary shares issuable upon conversion of any increased principal amount of the 2027 Notes through interest that is payable in kind) as we can elect to settle conversions of the 2027 Notes by paying or delivering, as applicable, cash, ordinary shares or a combination of cash and ordinary shares. We had elected to pay TZE SG 4.0% of the interest payable on the 2027 notes on February 17, 2024 in ordinary shares and subject to TZE SG notifying us in writing that they are able to accept delivery of



the ordinary shares in the manner contemplated under the Indenture, we expect to issue TZE SG 820,761 ordinary shares in consideration for 4% of the interest payable on the 2027 Notes.

- (3) Based on a denominator equal to the sum of 54,876,005 ordinary shares outstanding on May 21, 2024.
- (4) Based on (a) a denominator equal to the sum of (a) 54,876,005 ordinary shares outstanding on May 21, 2024, and (b) the number of ordinary shares issuable upon exercise or conversion of convertible securities within 60 days of May 21, 2024 beneficially owned by the applicable major shareholder.
- (5) Solely based on the information contained in a Schedule 13G/A filed with the SEC on April 4, 2024 by BlackRock, Inc. as a parent holding company in accordance with Rule 13d-1(b)(1)(ii)(G). BlackRock, Inc. has sole voting power over 5,401,371 Maxeon shares and sole dispositive power over 5,401,371 Maxeon shares.
- (6) Solely based on the information contained in a Schedule 13G filed with the SEC on February 7, 2024 by The Goldman Sachs Group, Inc. and Goldman Sachs & Co. LLC jointly as a broker or dealer registered under Section 15 of the Exchange Act and as a parent holding company in accordance with Rule 13d-1(b)(1)(ii)(G). The Goldman Sachs Group, Inc. and Goldman Sachs & Co. LLC have shared voting and dispositive power over 2,702,844 Maxeon shares.

On May 19, 2023, the Company completed the Company Offering and the TotalEnergies Offering, each at a price per share of \$28.00. In addition, on May 16, 2023, we completed the “2023 TZE Private Placement”.

The voting rights of our major shareholders do not differ from the voting rights of holders of our shares who are not major shareholders.

We are not aware of any arrangement that may, at a subsequent date, result in a change of our control.

## **7.B. RELATED PARTY TRANSACTIONS**

### **Agreements with SunPower, TZE and TotalEnergies in Connection with the Spin-off**

Maxeon was spun-out from SunPower on August 26, 2020 (the “Spin-off”) as a result of which, we became an independent, public company and the Maxeon shares started trading on the NASDAQ Global Select Market under the symbol “MAXN.”

In connection with the Spin-off, we entered into a number of agreements with SunPower providing for the framework of the relationship between the two companies following the Spin-off. On November 8, 2019, we entered into the Separation and Distribution Agreement with SunPower. The Separation and Distribution Agreement sets forth our agreements with SunPower regarding the principal actions to be taken in connection with the separation and distribution.

We also entered into certain ancillary agreements that govern the relationships between SunPower and us following the Distribution, including: a tax matters agreement, brand framework agreement and cross license agreement (collectively, the “Ancillary Agreements”), each as previously described in our Registration Statement for fiscal year 2019 on Form 20-F filed on July 2, 2020 and filed as exhibits to our Form 20-F for fiscal year 2020 filed on April 6, 2021 (as incorporated by reference to the exhibits filed on Form 6-K on August 26, 2020). The transition service agreement and collaboration agreement have largely wound down since fiscal year 2022 and the supply agreement has been terminated.

In connection with the TZE Investment, Maxeon, TotalEnergies Solar, TotalEnergies Gaz, and TZE SG, entered into a Shareholders Agreement relating to certain rights and obligations of each of Total and TZE SG bearing on Maxeon’s governance and the ability of TotalEnergies and TZE SG to buy, sell or vote their Maxeon shares. At the closing of the TZE Investment, Maxeon also entered into a Registration Rights Agreement with TotalEnergies and TZE SG, granting each of the shareholders certain registration rights with regard of their Maxeon shares.

### **Agreements with SunPower**

The Company and SunPower entered into the 2022/2023 Supply Agreement on February 14, 2022, pursuant to which we had agreed to supply SunPower with IBC Modules for use in residential installations in Canada and the United States (excluding Puerto Rico, American Samoa, Guam, the Northern Mariana Islands and the U.S. Virgin Islands) (the “Domestic Territory”). On January 5, 2023, the Company and SunPower entered into the 2024/2025 Supply Agreement with an effective date of December 31, 2022, pursuant to which we had agreed to supply SunPower with Maxeon 6 IBC Modules in the Domestic Territory in 2024 and 2025. Following a series of breach notification by both parties, as a result of voluntary negotiations undertaken by both parties in good faith, on November 13, 2023 we entered into an amendment, settlement and release agreement with SunPower (the “SunPower Settlement Agreement”), pursuant to which, among other things, (i) we agreed to supply SunPower with certain volumes of IBC Modules on a “take or pay” basis under the 2022/2023 Supply Agreement against SunPower’s provision of a payment bond to the Company in an amount of not less than \$30 million as security for the volumes it has agreed to purchase, (ii) we would be released from the non-circumvention obligations starting January 1, 2024, and the obligation to supply certain of our products exclusively to SunPower from March 31, 2024, (iii) the 2024/2025 Supply Agreement would terminate as of November 13, 2023 and (iv) each party’s obligations related to certain warranty claims. The SunPower Settlement Agreement also contemplated the issuance of warrants on January 1, 2024, which will be exercisable in the period beginning 135 days from the warrant issuance date, through 2025, from SunPower to us and the mutual release of claims arising from the SunPower Supply Agreements, subject to the terms and conditions set forth in the SunPower Settlement Agreement. The SunPower Settlement Agreement was further amended March 7, 2024 to revise the delivery schedule and payment terms between the parties.

#### **Agreements with TZE**

##### *Agreements with TZE in Connection with HSPV*

On April 26, 2024, our subsidiary, SunPower Manufacturing Corporation Limited, entered into an equity transfer agreement with Zhonghuan Hong Kong Holding Limited, a subsidiary of TZE, for the sale of all of our minority interest (approximately 16.27%) in HSPV, the joint venture our former parent entity, SunPower Corporation, TZE and other former partners established in 2016.

In conjunction with the sale of our interest in HSPV, on April 26, 2024, our subsidiary, Maxeon Solar Private Limited, entered into a non-exclusive and non-transferable intellectual property license agreement with TZE SG, a subsidiary of TZE, to enable HSPV and other subsidiaries of TZE, to develop, manufacture and sell large scale Performance line solar modules worldwide (other than in the United States) and to develop and manufacture rooftop size Performance line solar modules exclusively for Maxeon to sell worldwide, for an upfront license fee of \$10 million (“New IP License Agreement”). Under the New IP License Agreement, we and TZE will jointly review licensing and enforcement of intellectual property relating to Performance line solar modules, other than enforcement of patents registered in the United States, and we will share a certain percentage of licensing fees and/ or awards from any enforcement actions relating to Performance line solar modules outside of the United States with TZE.

On April 26, 2024, we and certain of our subsidiaries entered into a termination agreement on with TZE, HSPV and certain other subsidiaries of TZE to terminate (a) the intellectual property license agreement dated February 22, 2017 between us and HSPV, (b) the intellectual property license agreement dated February 8, 2021 between us and Huansheng New Energy (Jiangsu) Co., Ltd. (“HSNE”), (c) the amended and restated business activities framework agreement dated February 8, 2021 between us and its subsidiary, HSPV, HSNE, and TZE (the “Amended and Restated Business Activities Framework Agreement”), (d) the amended and restated offshore master supply agreement dated February 8, 2021 between us and our subsidiaries, HSPV and HSNE (the “Offshore Master Supply Agreement”) and (e) the temporary intellectual property licensing and business collaboration agreement dated October 22, 2022 between us and our subsidiaries, TZE, HSPV, HSNE and Huansheng New Energy (Tianjin) Co., Ltd. (“HSTJ”).

Also, in conjunction with the sale of our interest in HSPV, on April 26, 2024, we, HSPV and HSNE entered into the 2024 HSPV Master Supply Agreement, pursuant to which we will purchase and HSPV and HSNE will exclusively supply us with rooftop size Performance line solar modules that meet certain criteria (“DG Products”).

The 2024 HSPV Master Supply Agreement provides that the pricing of DG Products will be subject to an indexed pricing mechanism, volumes are to be determined based on a rolling demand forecast and purchase orders issued periodically subject to approvals from our Board. The 2024 Master Supply Agreement also provides for notice to be given to us before any DG Products are discontinued and includes terms relating to operational management, supply chain management, inspection, representations and warranties, and legal compliance. HSPV and HSNE other TZE subsidiaries may sell Performance line solar modules that are of a larger format than the DG Products.

#### *Financing Transactions with TZE*

Pursuant to a share purchase agreement, dated May 16, 2023, Maxeon entered into the 2023 TZE Private Placement with TZE SG.

#### *Silicon Wafer Master Supply Agreement*

On November 16, 2021, we entered into a silicon wafer master supply agreement with TZE HK, a subsidiary of TZE for the purchase of P-Type G12 wafers which are intended to be incorporated into the Company's Performance line modules planned for manufacture in Malaysia and Mexico and sale into the United States. The Company expects TZE HK to be its primary wafer supplier for Performance line modules and deliveries commenced in 2022. Deposit arrangements, payment terms and pricing mechanisms will be agreed to with TZE HK for the Company to reserve specified volumes in advance. The master supply agreement also sets out a general framework and customary operational and legal terms which govern the purchases of silicon wafer from TZE by the Company and its subsidiaries, including engineering changes, supply chain management, inspection, representations and warranties and legal compliance. In March 2022, we entered into an addendum to the master supply agreement, pursuant to which TZE HK will supply the Company with wafers to meet the Company's volume requirements for calendar year 2023. In December 2023, we entered into an addendum to the master supply agreement for the Company's volume requirement for calendar year 2024 at specified pricing.

In connection with the supply agreement, we made a deposit of \$2.1 million as of January 1, 2023, to reserve specified volumes in advance for delivery up to fiscal year 2023, and is recorded in "Advances to suppliers, current portion" on the Consolidated Balance Sheets. The deposits in connection to the deliveries in calendar year 2024 is expected to be paid in fiscal year 2024.

#### **Agreements with TotalEnergies**

##### *Supply Agreements*

In November 2016, SunPower and TotalEnergies entered into a 4-year, up to 200 megawatts ("MW") supply agreement to support the solarization of certain TotalEnergies facilities (the "Solarization Agreement"). The agreement covers the supply of 150 MW of Maxeon 2 panels with an option to purchase up to another 50 MW of Performance line solar panels, in which SunPower received a prepayment totaling \$88.5 million. The prepayment is secured by certain of Maxeon's assets located in Mexico. In February 2021, TotalEnergies and the Company made certain amendments to extend the period of the agreement, product list, pricing, and terms for the repayment of remaining unused prepayment and the release of the assets pledge (the "Amendment to the Solarization Agreement").

In March 2023, as a result of the amendment to the solarization agreement, the parties have concluded on the total refund liability as \$24.3 million, to be repaid in 12 equal installments from the first quarter of 2023 until the fourth quarter of 2025. The Company has paid three installments in fiscal year 2023.

In November 2021, the Company executed an order request from Danish Fields Solar LLC, a wholly-owned subsidiary of TotalEnergies SE, for the sale of Performance line modules that is governed by a framework agreement entered into between the Company and TotalEnergies Global Procurement on October 27, 2021. After granting security interests in certain assets located in Mexico, the Company received total prepayment of \$57.1 million. In March 2022, the order request was amended to change the timing of the utilization of the prepayment. In September 2023, the Company and Danish Fields Solar LLC entered into an Abatement and Amendment Agreement

(the “Amendment and Abatement Agreement”) to amend certain terms to the order request, including the delivery schedule, utilization of the prepayment and abatement conditions for the liquidated damage claim by Danish Fields Solar LLC for the delay from the original schedule. The delivery of the modules was completed in the fourth quarter of fiscal year 2023, after the guaranteed delivery schedule pursuant to the Abatement and Amendment Agreement.

#### *Solar Power Purchase Agreement*

In February 2022, the Company, through its subsidiary SunPower Malaysia Manufacturing Sdn Bhd (“SPMY”) entered into a long-term solar power purchase agreement (“PPA”) with TotalEnergies Renewables Malaysia Sdn Bhd (“TotalEnergies Malaysia”), a wholly-owned subsidiary by TotalEnergies SE. Under the PPA, TotalEnergies Malaysia will install and maintain a solar PV system at SPMY’s rooftop for 20 years at a fixed price per kWh with a guaranteed annual energy output ranging from 10.8 GW to 11.9 GW to the SPMY. SPMY has the option to purchase the PV system at any time for a fixed price, which goes down to \$0.00 after 20 years. The PV system will be constructed and installed using the Company’s Performance line modules. As of December 31, 2023, the Company and TotalEnergies is in the midst of renegotiating a new terms and conditions to replace this PPA as the underlying conditions have expired.

#### *Dilution Protection Agreement*

In connection with the Green Convertible Notes, Maxeon granted to TZE SG an option to purchase an amount of Maxeon shares that would allow TZE to maintain its percentage ownership of outstanding Maxeon shares following any conversion of the Green Convertible Notes as compared to its percentage ownership existing immediately prior to any such conversion.

### **7.C. INTERESTS OF EXPERTS AND COUNSEL**

Not Applicable.

## **ITEM 8. FINANCIAL INFORMATION**

### **8.A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION**

Please refer to “Item 18. Financial Statements.”

#### **Export Sales**

Export sales outside of Singapore constituted 100% of the Company’s total sales during the fiscal years 2023. Such sales accounted for 99% and 100%, respectively, of the Company’s total sales during the fiscal year 2022 and 2021.

#### **Legal Proceedings**

We are a party to various litigation matters and claims that arise from time to time in the ordinary course of our business and in enforcing or defending our intellectual property rights. While we believe that the ultimate outcome of such matters will not have a material adverse effect on us, their outcomes are unpredictable, and negative outcomes may adversely affect our financial position, liquidity, or results of operations.

In addition, under the Separation and Distribution Agreement we entered into with SunPower in connection with the Spin-off, SunPower has agreed to indemnify us for certain litigation claims to which certain of our subsidiaries are named the defendant or party. The liabilities related to these legal claims are reflected on our Consolidated Balance Sheets as of December 31, 2023. While we expect to suffer no material financial liability because these matters are indemnified, it may drain our resources to cooperate with SunPower to defend these claims and our reputation with key stakeholders may be affected.

**Dividend policy**

Please refer to “Item 10.B. Constitution—Dividends” for the Company’s dividend policy.

**8.B. SIGNIFICANT CHANGES**

A discussion of significant changes in our business can be found under “Item 4.A. History and Development of the Company”, “Item 4.B. Business Overview” and “Item 5.A. Operating Results—Results of Operations.”

**ITEM 9. THE OFFER AND LISTING**

**9.A. OFFER AND LISTING DETAILS**

The ordinary shares of Maxeon are listed on the NASDAQ under the symbol “MAXN”.

**9.B. PLAN OF DISTRIBUTION**

Not Applicable.

**9.C. MARKETS**

The ordinary shares of Maxeon are listed on the NASDAQ under the symbol “MAXN” and the ISIN code SGXZ25336314 and CUSIP code Y58473102.

**9.D. SELLING SHAREHOLDERS**

Not Applicable.

**9.E. DILUTION**

Not Applicable.

**9.F. EXPENSES OF THE ISSUE**

Not Applicable.

**ITEM 10. ADDITIONAL INFORMATION**

**10.A. SHARE CAPITAL**

Not Applicable.

**10.B. CONSTITUTION**

The following description of our Constitution is a summary and is qualified by reference to the Constitution, a copy of which was included as Exhibit 99.1 to our Form 6-K (File No. 001-39368) filed with the SEC on August 27, 2020 and incorporated by reference herein. See also “Item 6.C. Board Practices.”

**New Shares**

Under Singapore law, new shares may be issued only with the prior approval of our shareholders in a general meeting. General approval may be sought from our shareholders in a general meeting for the issue of shares. Approval, if granted, will lapse at the earlier of:

- the conclusion of the next annual general meeting;
- the expiration of the period within which the next annual general meeting is required by law to be held (i.e., within six months of our financial year end); and

- any subsequent revocation or variation of such approval by our shareholders in a general meeting.

Subject to this and the provisions of the Singapore Companies Act, our Constitution and the Shareholders Agreement, all new shares are under the control of the Maxeon Board who may allot and issue new shares to such persons on such terms and conditions and with the rights and restrictions as they may think fit to impose.

#### **Preference Shares**

Under the Singapore Companies Act, different classes of shares in a public company may be issued only if (a) the issue of the class or classes of shares is provided for in the constitution of the public company and (b) the constitution of the public company sets out in respect of each class of shares the rights attached to that class of shares. Our Constitution provides that we may issue shares of a different class with preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Maxeon Board may determine from time to time, and that such shares may be issued which are, or at the option of the Company are, liable to be redeemed (on such terms and manner of redemption as determined by the Maxeon Board) provided that the terms of such preference shares are set out in the Constitution, and is approved by special resolution at a general meeting of our shareholders.

We may, subject to the Singapore Companies Act and the prior approval in a general meeting of our shareholders, issue preference shares which are, or at our option, subject to redemption provided that such preference shares may not be redeemed out of capital unless:

- all the directors have made a solvency statement in relation to such redemption; and
- we have lodged a copy of the solvency statement with ACRA.

Further, the shares must be fully paid-up before they are redeemed.

#### **Register of Members**

Persons who are registered in our register of members will be recognized as members of the Company with the corresponding rights of members under applicable law and the Constitution. We will not, except as required by applicable law, recognize any equitable, contingent, future or partial interest in any ordinary share or other rights for any ordinary share other than the absolute right thereto of the registered holder of that ordinary share. We may close our register of members for any time or times, provided that our register of members may not be closed for more than 30 days in the aggregate in any calendar year. We typically will close our register of members to determine shareholders' entitlement to receive dividends and other distributions.

Maxeon shares listed and traded on NASDAQ, are held through The Depository Trust Company ("DTC"). Accordingly, DTC or its nominee, Cede & Co., will be the shareholder on record registered in our register of members. The holders of Maxeon shares held in book-entry interests through DTC or its nominee may become a registered shareholder by exchanging its interest in such shares for certificated ordinary shares and being registered in our register of members in respect of such shares. The procedures by which a holder of book-entry interests held through the facilities of the DTC may exchange such interests for certificated ordinary shares are determined by DTC (including the broker, bank, nominee or other institution that holds the shares within DTC) and Computershare, which will act as our transfer agent, in accordance with their internal policies and guidelines regulating the withdrawal and exchange of book-entry interests for certificated ordinary shares.

If (a) the name of any person is without sufficient cause entered in or omitted from the register of members; or (b) default is made or there is unnecessary delay in entering in the register of members the fact of any person having ceased to be a member, the person aggrieved or any member of the company or the company, may apply to the Singapore courts for rectification of the register of members. The Singapore courts may either refuse the application or order rectification of the register of members, and may direct the company to pay any damages sustained by any party to the application. The Singapore courts will not entertain any application for the rectification of a register of members in respect of an entry which was made in the register of members more than 30 years before the date of the application.

### **Transfer of Ordinary Shares**

Subject to applicable securities laws in relevant jurisdictions and our Constitution, our shares are freely transferable, fully paid and are not subject to further capital calls. Shares may be transferred by a duly signed instrument of transfer in any usual or common form or in a form acceptable to our directors and any applicable stock exchange. The Maxeon Board may decline to register any transfer unless, among other things, evidence of payment of any stamp duty payable with respect to the transfer is provided together with other evidence as the directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his or her behalf, the authority of the person to do so. We will replace lost or destroyed certificates for shares upon notice to us and upon, among other things, the applicant furnishing evidence and indemnity as the directors may require and the payment of all applicable fees.

Shareholders who hold Maxeon shares electronically in book-entry form through the facilities of the DTC and that wish to become registered shareholders must contact the broker, bank, nominee or other institution that holds their shares and complete a transfer of these shares from DTC to themselves (by transferring such shares to an account maintained by Computershare, our transfer agent and registrar) according to the procedures established by DTC, such broker, bank, nominee or other institution and Computershare.

### **Election and Re-election of Directors**

Under our Constitution, our shareholders by ordinary resolution, or the Maxeon Board, may appoint any person to be a director as an additional director or to fill a casual vacancy, provided that any person so appointed by the Maxeon Board shall hold office only until the next annual general meeting, and shall then be eligible for re-election, subject to the Shareholders Agreement. See also "Item 6.C. Board Practices".

### **Shareholders' Meetings**

We are required to hold an annual general meeting within six months after the end of each financial year. Our previous financial year ended on December 31, 2023 and subsequent financial years will end on the last day of a period of 12 months after the end of the previous financial year. The Maxeon Board may convene an extraordinary general meeting whenever they think fit and they must do so upon the written request of shareholders holding not less than one-tenth of the paid-up shares as at the date of deposit carries the right to vote at general meetings (disregarding paid-up capital held as treasury shares). In addition, two or more shareholders holding not less than one-tenth of our total number of issued shares (excluding our treasury shares) may call a meeting of our shareholders. The Singapore Companies Act requires not less than:

- 14 days' written notice to be given by us of a general meeting to pass an ordinary resolution; and
- 21 days' written notice to be given by us of a general meeting to pass a special resolution,

to every member. Our Constitution further provides that in computing the notice period, both the day on which the notice is served, or deemed to be served, and the day on which the meeting is to be held shall be excluded.

The Singapore Companies Act provides that a shareholder is entitled to attend any general meeting and speak on any resolution put before the general meeting. Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring the affirmative vote of a simple majority of the shareholders present in person or represented by proxy at the meeting and entitled to vote on the resolution. An ordinary resolution suffices, for example, for appointments of directors. A special resolution, requiring an affirmative vote of not less than three-fourths of the shareholders present in person or represented by proxy at the meeting and entitled to vote on the resolution, is necessary for certain matters under Singapore Companies Act, such as an alteration of our Constitution.

### **Voting Rights**

Voting at any meeting of shareholders is by a show of hands unless a poll is required by the rules and regulations of any applicable stock exchange or duly demanded before or on the declaration of the result of the show

of hands. If voting is by a show of hands, every shareholder who is entitled to vote and who is present in person or by proxy at the meeting has one vote. On a poll, every shareholder who is present in person or by proxy or by attorney, or in the case of a corporation, by a representative, has one vote for every share held by such shareholder or which such shareholder represents. Proxies need not be shareholders.

Only those shareholders who are registered in our register of members will be entitled to vote at any meeting of shareholders. Where our shares are held through the facilities of the DTC, DTC will grant an omnibus proxy to DTC participants holding Maxeon shares in book-entry form through a broker, bank, nominee, or other institution that is a direct or indirect participant of DTC. Such shareholders will have the right to instruct their broker, bank, nominee or other institution holding these shares on how to vote such shares by completing the voting instruction form provided by the applicable broker, bank, nominee, or other institution. Whether voting is by a show of hands or by a poll, DTC's vote will be voted by the chairman of the meeting according to the results of the votes of the DTC participants (which results will reflect the instructions received from shareholders that own Maxeon shares electronically in book-entry form). In the case of a tie vote, the chairman of the meeting shall be entitled to a casting vote.

#### **Dividends**

All of our shareholders have the right to participate in any dividends. We have no current plans to pay annual or semi-annual cash dividends. However, although we have no plan to do so, in the event that we divest a portion of, or our entire equity interest in, any of our businesses, we may distribute such cash proceeds or declare a distribution-in-kind of shares in our businesses. Under Singapore law, no dividend may be paid except out of profits. Any dividends would be limited by the amount of available distributable reserves, which, under Singapore law, will be assessed on the basis of our standalone unconsolidated accounts (which will be based upon the Singapore Financial Reporting Standards (International)). Under Singapore law, it is possible to effect a capital reduction exercise to return cash and/or assets to our shareholders. The completion of a capital reduction exercise can be effected in several ways, including by a special resolution of shareholders and the signing of a solvency statement by the directors and pursuant to such other conditions as set out in the Singapore Companies Act or pursuant to the approval of the Singapore Courts, and we may not be successful in our attempts to obtain such approval.

Additionally, because we are a holding company, our ability to pay cash dividends, or declare a distribution-in-kind of the ordinary shares of any of our businesses, may be limited by restrictions on our ability to obtain sufficient funds through dividends from our businesses, including restrictions under the terms of the agreements governing the indebtedness of our businesses. Subject to the foregoing, the payment of cash dividends in the future, if any, will be at the discretion of the Maxeon Board and will depend upon such factors as earnings levels, capital requirements, contractual restrictions, our overall financial condition, available distributable reserves and any other factors deemed relevant by the Maxeon Board. Generally, a final dividend is declared out of profits disclosed by the accounts presented to the annual general meeting, and requires approval of our shareholders. However, the Maxeon Board may declare interim dividends without approval of our shareholders.

#### **Reserves**

The Maxeon Board may from time to time set aside out of the profits of Maxeon and reserve such sums as they think proper which, at the discretion of the Maxeon Board, shall be applicable for any purpose to which the profits of Maxeon may properly be applied and pending such application may either be employed in the business of Maxeon or be invested. The Maxeon Board may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided or, without placing the same to reserve, carry forward any profits, subject to applicable laws.

#### **Bonus and Rights Issues**

In a general meeting, our shareholders may, upon the recommendation of the directors, capitalize any reserves or profits and distribute them as fully paid bonus shares to the shareholders in proportion to their shareholdings.



## Singapore Code on Take-Overs and Mergers

The Singapore Take-overs Code regulates, among other things, the acquisition of voting rights of corporations and business trusts with a primary listing in Singapore, public companies and registered business trusts with a primary listing overseas as well as unlisted public companies and unlisted registered business trusts with more than 50 shareholders or unitholders (as the case may be) and net tangible assets of S\$5.0 million or more. Any person acquiring an shares, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert (as defined in the Singapore Take-over Code) with such person, in 30% or more of the voting rights of our company, or, if such person holds, either on his own or together with parties acting in concert with such person, not less than 30% but not more than 50% of the voting rights of our company, and such person (or parties acting in concert with such person) acquires additional shares carrying more than 1% of our voting rights of our company in any six-month period, must, except with the consent of the Securities Industry Council of Singapore, immediately extend a mandatory take-over offer for all the remaining voting shares in accordance with the provisions of the Singapore Take-overs Code. The primary responsibility for ensuring compliance with the Singapore Take-overs Code rests with parties (including company directors) to a take-over or merger and their advisors.

Under the Singapore Take-overs Code, persons “acting in concert” comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Certain individuals and companies are presumed to be acting in concert with each other unless the contrary is established. They include:

- a company and its parent company, subsidiaries or fellow subsidiaries (together, the related companies), the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- a company with any of its directors (together with their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- a company and its pension funds and employee share schemes;
- a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis but only in respect of the investment account which such person manages;
- a financial or other professional advisor, including a stockbroker, with its clients in respect of the shareholdings of the advisor and persons controlling, controlled by or under the same control as the advisor;
- directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;
- partners; and
- an individual and such person’s close relatives, related trusts, any person who is accustomed to act in accordance with such person’s instructions and companies controlled by the individual, such person’s close relatives, related trusts or any person who is accustomed to act in accordance with such person’s instructions and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights.

Subject to certain exceptions, a mandatory take-over offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror for the voting rights of the offeree company during the offer period and within six months prior to its commencement.

Under the Singapore Take-overs Code, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. In the case where our company has more than one class of equity share capital, a comparable offer must be made for each class in

accordance with the Singapore Take-overs Code and the Securities Industry Council of Singapore should be consulted in advance in such cases. In addition, an offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the take-over offer must be given sufficient information, advice and time to consider and decide on the offer. These legal requirements may impede or delay a take-over of our company by a third party.

The Singapore Take-overs Code generally provides that if the board of an offeree company should bring an offer to its shareholders in accordance with the Singapore Take-overs Code and refrain from an action which will deny the shareholders from the possibility to decide on the offer.

On January 30, 2020, the Securities Industry Council of Singapore waived application of the Singapore Take-overs Code to us, subject to certain conditions. Pursuant to the waiver, for as long as we are not listed on a securities exchange in Singapore, and except in the case of a tender offer (within the meaning of U.S. securities laws) where the Tier 1 Exemption is available and the offeror relies on the Tier 1 Exemption to avoid full compliance with the tender offer rules promulgated under the Exchange Act, the Singapore Take-overs Code shall not apply to us. In connection with receipt of the waiver, the SunPower board submitted to the Securities Industry Council of Singapore a written confirmation to the effect that it is in the interests of SunPower shareholders who will become holders of Maxeon shares as a result of the Spin-off that a waiver of the provisions of the Singapore Take-overs Code is obtained.

#### **Liquidation or Other Return of Capital**

On a winding-up or other return of capital, subject to any special rights attaching to any other class of shares and preferential rights under law, holders of shares will be entitled to participate in any surplus assets in proportion to their shareholdings.

#### **Limitations on Rights to Hold or Vote Ordinary Shares**

Except as discussed above under “—Singapore Code on Take-overs and Mergers,” there are no limitations imposed by the laws of Singapore or by our Constitution on the right of non-resident shareholders to hold or vote with respect to ordinary shares, nor does our Constitution discriminate against any existing or prospective shareholder as a result of such shareholder owning a substantial number of Maxeon shares.

#### **Limitations of Liability and Indemnification Matters**

Pursuant to the Singapore Companies Act, any provision that purports to exempt an officer of a company (to any extent) from any liability that would otherwise attach to him or her or any provision by which a company directly or indirectly provides an indemnity (to any extent) for an officer of the company against any liability attaching to him or her in connection with any negligence, default, breach of duty or breach of trust in relation to the company is void. This prohibition applies to any provision, whether contained in the company's constitution or in any contract with the company or otherwise. However, the Singapore Companies Act specifically provides that we are allowed to:

- purchase and maintain for any officer of the company insurance against any liability which by law would otherwise attach to such officer in connection with any negligence, default, breach of duty or breach of trust in relation to the company; and
- indemnify any officer against liability incurred by the officer to a person other than the company, except when the indemnity is against: (a) any liability of the officer to pay: (i) a fine in criminal proceedings; or (ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or; (b) any liability incurred by the officer: (i) in defending criminal proceedings in which the officer is convicted; (ii) in defending civil proceedings brought by the company or a related company in which judgment is given against the officer; or (iii) in connection with an application for relief under Sections 76A(13) or 391 of the Singapore Companies Act in which the court refuses to grant the officer relief.

- Furthermore, the Singapore Companies Act also provides that any provision, whether in the constitution or in any contract with a company or otherwise, for exempting any auditor of the company from, or indemnifying the auditor against, any liability which by law would otherwise attach to the auditor in respect of any negligence, default, breach of duty or breach of trust of which the auditor may be guilty in relation to the company is void. However, the Singapore Companies Act specifically provides that we are allowed to:
- indemnify any auditor against any liability incurred or to be incurred by such auditor in defending any proceedings (whether civil or criminal) in which judgment is given in such auditor's favor or in which such auditor is acquitted; and
- indemnify any auditor against any liability incurred or to be incurred by such auditor in connection with any application under Sections 76A(13) or 391 of the Singapore Companies Act in which relief is granted to such auditor by the court.

Our Constitution provides that, subject to the provisions of and so far as may be permitted by the Singapore Companies Act and any other applicable law, every director, chief executive officer, auditor, secretary or other officer of our company shall be entitled to be indemnified by our company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him or her in the execution and discharge of his or her duties or in relation thereto and in particular and without prejudice to the generality of the foregoing, no director, secretary or other officer of our company shall be liable for the acts, receipts, neglect or defaults of any other director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to our company through the insufficiency or deficiency of title to any property acquired by order of the directors for or on behalf of our company or for the insufficiency or deficiency of any security in or upon which any of the moneys of our company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen to or be incurred by our company in the execution of the duties of his or her office or in relation thereto unless the same shall happen through his or her own negligence, willful default, breach of duty or breach of trust.

The limitation of liability and indemnification provisions in our Constitution may discourage shareholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our shareholders. A shareholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable.

#### **Comparison of Shareholder Rights**

The information in this section has been included previously in our registration statement on Amendment No. 2 to Form 20-F (File No. 001-39368) filed with the SEC on July 31, 2020 and has not changed since, and therefore is incorporated by reference to that registration statement.

#### **10.C. MATERIAL CONTRACTS**

For information concerning our material contracts, see "Item 4. Information On The Company", "Item 5. Operating And Financial Review And Prospects" and "Item 7.B. Related Party Transactions."

#### **10.D. EXCHANGE CONTROLS**

There are currently no exchange control restrictions in effect in Singapore.

#### **10.E. TAXATION**

The following summary of the U.S. federal income tax and Singapore tax consequences of receipt, ownership and disposition of our shares is based upon laws, regulations, decrees, rulings, income tax conventions (treaties),

administrative practice and judicial decisions in effect at the date of this registration statement. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the descriptions and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of our shares. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of our shares. Each prospective holder is urged to consult its own tax advisor as to the particular tax consequences to such holder of the receipt, disposition and ownership of our shares, including the applicability and effect of any other tax laws or tax treaties, of pending or proposed changes in applicable tax laws as of the date of this registration statement, and of any actual changes in applicable tax laws after such date.

#### **Material U.S. Federal Income Tax Considerations**

The following summarizes certain U.S. federal income tax considerations to U.S. Holders (as defined below), of owning and disposing of our shares, as well as certain considerations relating to the Spin-off. This summary applies only to U.S. Holders that hold our shares as capital assets (generally, property held for investment). Unless otherwise provided, this summary does not discuss reporting requirements.

This summary is based on the Code, its legislative history, Treasury regulations promulgated under the Code and on judicial and administrative interpretations of the Code and the Treasury regulations, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. This summary does not purport to be a complete description of the consequences of the transactions described in this registration statement, nor does it address the application of estate, gift or non-income U.S. federal tax laws, the Medicare tax on net investment income or any state, local or foreign tax laws. The tax treatment of a holder of our shares may vary depending upon that holder's particular situation. Moreover, this summary does not address certain holders that may be subject to special rules not discussed below, such as (but not limited to):

- persons that are not U.S. Holders (as defined below);
- persons that are subject to alternative minimum taxes;
- insurance companies;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- banks and other financial institutions;
- real estate investment companies and regulated investment companies;
- U.S. expatriates;
- broker-dealers;
- persons required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to our shares as a result of such income being recognized on an applicable financial statement;
- partnerships (or other entities classified as partnerships for U.S. federal income tax purposes) and other pass-through entities and persons that hold our shares through partnerships (or other entities classified as pass-through entities for U.S. federal income tax purposes);
- a U.S. Holder that owns shares through a non-U.S. broker or other non-U.S. intermediary;
- holders whose functional currency is not the U.S. dollar;
- persons that actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock;

- persons owning our shares in connection with a trade or business conducted outside of the United States;
- traders in securities that elect to apply a mark-to-market method of accounting,
- holders that hold our shares as part of a “hedge,” “straddle,” “conversion,” “constructive sale,” “wash sale,” or other risk reduction transaction, an integrated transaction or other similar transaction for U.S. federal income tax purposes; and
- individuals who receive our shares upon the exercise of compensatory options or otherwise as compensation.

Moreover, no advance rulings have been or will be sought from the IRS regarding any matter discussed in this registration statement.

**U.S. Holders and prospective investors should consult their tax advisors regarding the application of the U.S. federal tax rules to their particular circumstances as well as the state, local, non U.S. and other tax consequences to them of the receipt, ownership and disposition of our shares.**

For purposes of this summary, a “U.S. Holder” is a beneficial owner of our shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or other entity taxable as a partnership for U.S. federal income tax purposes) holds our shares, the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner in a partnership holding our shares, you should consult your tax advisor.

***Tax Matters in Connection with the Spin-off***

SunPower received a Tax Opinion providing that the distribution of Maxeon shares should not result in any recognition of gain or loss for U.S. federal income tax as to (and no amount should be includible in the income of) SunPower shareholders. The Tax Opinion is subject to qualifications and limitations. See “Item 3.D. Risk Factors—Risks Related to the Separation from SunPower.” In connection with the Spin-off, we have also entered into a tax matters agreement with SunPower, which restricts us from taking certain actions that could affect the qualification of the distribution as tax-free to SunPower shareholders.

If it were determined that the distribution did not so qualify, we could be required to indemnify SunPower for taxes resulting therefrom. This could occur if, notwithstanding our intentions, we take or fail to take any action we are prohibited from taking or required to take by the terms of the tax matters agreement to preserve the intended tax treatment of the transaction, a representation or covenant we made that serves as the basis for the Tax Opinion is determined to be false or as a result of the application of legal rules that depend in part on facts outside our control. For example, U.S. tax law requires that both SunPower and we continue to remain engaged in our respective active trades and businesses. If we cease to so engage in our active trades and businesses in a manner that causes the distributions under the Spin-off to become taxable, we would be required to indemnify SunPower for any taxes and related costs resulting from our actions. Our indemnification obligations to SunPower in these circumstances are set forth in the tax matters agreement referenced above in “Item 7.B. Related Party Transactions—Agreements with SunPower, TZE and TotalEnergies in Connection with the Spin-off.” If we are required to indemnify SunPower, we may be subject to substantial liabilities that could materially adversely affect our financial position.

#### ***Taxation of Dividends and Other Distributions on the Shares***

We have no current plans to pay annual or semi-annual cash dividends (see “Item 10.B. Memorandum and Articles of Association—Dividends.”). If, however, we do pay dividends and subject to the discussion below under “—Passive Foreign Investment Company”, the gross amount of any such distribution made to a U.S. Holder with respect to our shares, generally will be includible in income on the day on which the distribution is actually or constructively received by a U.S. Holder as dividend income to the extent the distribution is paid out of our current or accumulated earnings and profits. Such dividends will not be eligible for the dividends-received deduction generally allowed to U.S. corporations with respect to dividends received from other U.S. corporations. Distributions in excess of our current and accumulated earnings and profits will be treated first as a non-taxable return of capital, thereby reducing the U.S. Holder’s adjusted tax basis in our shares (but not below zero), and thereafter as either long-term or short-term capital gain depending upon whether the U.S. Holder held our shares for more than one year as of the time such distribution is actually or constructively received. Because we do not prepare calculations of our earnings and profits using U.S. federal income tax principles, it is expected that distributions generally will be taxable to U.S. Holders as dividends.

Distributions treated as dividends that are received by a non-corporate U.S. Holder (including an individual) from “qualified foreign corporations” generally qualify for a reduced tax rate so long as (i) the shares on which the dividends are paid are readily tradable on an established securities market in the U.S. or we are eligible for the benefits of a comprehensive income tax treaty with Singapore, (ii) we are not a PFIC nor treated as such with respect to a U.S. Holder (as discussed below) for either our taxable year in which the dividend was paid or for the preceding taxable year, and (iii) certain holding period requirements are met. Dividends paid on our shares should qualify for the reduced rate if we are treated as a “qualified foreign corporation” by virtue of our stock with respect to which such dividend was paid being readily tradable on NASDAQ. The United States does not currently have a comprehensive income tax treaty with Singapore, therefore, if our shares are not considered to be readily tradable on an established securities market in the United States (such as NASDAQ), we will not be treated as a “qualified foreign corporation” and dividends with respect to our shares will not qualify for the reduced rate.

Dividends on our shares received by a U.S. Holder will generally be treated as foreign source income for U.S. foreign tax credit purposes and generally will be treated as “passive category income” for U.S. foreign tax credit purposes. The creditability of non-U.S. income taxes is subject to limitations, including some that vary depending on a U.S. Holder’s circumstances. In addition, recently issued U.S. Treasury regulations require non-U.S. income tax laws to meet certain requirements in order for taxes imposed under such laws to be eligible for credit. We have not determined whether these requirements have been met with respect to Singapore withholding taxes. In lieu of claiming a foreign tax credit, U.S. Holders may, at their election, deduct foreign taxes, including any Singaporean income taxes, in computing their taxable income, subject to generally applicable limitations under U.S. law. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the taxable year. U.S. Holders should consult their tax advisers regarding the creditability or deductibility of Singapore taxes withheld with respect to the shares generally and in their particular circumstances.

The amount of any dividend paid in Singapore dollar will equal the U.S. dollar value of the Singapore dollar received, calculated by reference to the exchange rate in effect on the date the dividend is received by U.S. Holders, regardless of whether the Singapore dollars are converted into U.S. dollars. If the Singapore dollars received as a dividend are converted into U.S. dollars on the date of receipt, a U.S. Holder generally will not be required to recognize foreign currency gain or loss in respect of the dividend income. If the Singapore dollars received as a dividend are not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the Singapore dollars equal to their U.S. dollar value on the date of receipt. Any gain or loss realized on a subsequent conversion or other disposition of the Singapore dollars will be treated as U.S. source ordinary income or loss.

#### ***Taxation of Dispositions of the Shares***

A U.S. Holder will recognize gain or loss on the sale or other taxable disposition of our shares in an amount equal to the difference between the amount realized on such sale or other taxable disposition and such U.S. Holder's adjusted tax basis in our shares. Subject to the PFIC rules discussed below, such gain or loss generally will be long-term capital gain (taxable at a reduced rate for non-corporate U.S. Holders) or loss if, on the date of sale or disposition, such shares were held by such U.S. Holder for more than one year. The deductibility of capital losses is subject to significant limitations. Gain or loss, if any, recognized by a U.S. Holder generally will be treated as U.S. source gain or loss, as the case may be for foreign tax credit purposes.

If any Singaporean tax is imposed on the sale or other disposition of our shares, a U.S. Holder's amount realized will include the gross amount of the proceeds of the sale or other disposition before deduction of the Singaporean tax. See "—Material Singapore Tax Considerations—Income Taxation Under Singapore Law—Capital Gains upon Disposition of Shares" for a description of when a disposition may be subject to taxation by Singapore. U.S. Holders should consult their own tax advisors concerning the creditability or deductibility of any Singaporean income tax imposed on the disposition of shares in their particular circumstances.

**U.S. Holders should consult their tax advisors regarding the particular tax considerations to them of the ownership and disposition of our shares under the laws of the United States (federal, state and local) or any other relevant taxation jurisdiction.**

#### ***Passive Foreign Investment Company***

In general, a non-U.S. corporation will be classified as a PFIC for U.S. federal income tax purposes for any taxable year in which either (i) 75% or more of its gross income consists of certain types of "passive" income or (ii) 50% or more of the fair market value of its assets (determined on the basis of a quarterly average) produce or are held for the production of passive income. For this purpose, "gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. For this purpose, cash is categorized as a passive asset and our unbooked intangibles will be taken into account and generally treated as non-passive assets. We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the shares. As a publicly traded foreign corporation we intend for this purpose to treat the aggregate fair market value of our gross assets as being equal to the aggregate value of our outstanding stock ("market capitalization") plus the total amount of our liabilities and to treat the excess of the fair market value of our assets over their book value as a non-passive asset to the extent attributable to our nonpassive income.

Based on the nature of our business, the composition of our income and assets, and the value of our shares, we do not believe we were a PFIC for the taxable year ended December 31, 2023 and do not anticipate being a PFIC for our current taxable year or in the foreseeable future. Nevertheless, because PFIC status is a factual determination made annually after the close of each taxable year on the basis of the composition of our income and assets, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year.

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our shares, the U.S. Holder will generally be subject to imputed interest taxes, characterization of any gain from the sale or exchange of our

shares as ordinary income, and other disadvantageous tax treatment with respect to our shares unless the U.S. Holder makes a mark-to-market election (as described below). Further, if we are classified as a PFIC for any taxable year during which a U.S. Holder holds our shares and any of our non-U.S. subsidiaries is also a PFIC, such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of each such non-U.S. subsidiary classified as a PFIC (each such subsidiary, a lower tier PFIC) for purposes of the application of these rules. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. holder of “marketable stock” in a PFIC may make a mark-to-market election. A mark-to-market election may be made with respect to our shares, provided they are actively traded, defined for this purpose as being traded on a “qualified exchange,” other than in de minimis quantities, on at least 15 days during each calendar quarter. We anticipate that our shares should qualify as being actively traded, but no assurances may be given in this regard. If a U.S. Holder of our shares makes this election, the U.S. Holder will generally (i) include as ordinary income for each taxable year the excess, if any, of the fair market value of our shares held at the end of the taxable year over the adjusted tax basis of such shares and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of our shares over the fair market value of such shares held at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. Holder’s adjusted tax basis in our shares would be adjusted to reflect any income or loss resulting from the mark-to-market election. In addition, any gain such U.S. Holder recognizes upon the sale or other disposition of our shares will be treated as ordinary income and any loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the U.S. Holder will not be required to take into account the gain or loss described above during any period that such corporation is not classified as a PFIC. In the case of a U.S. Holder who has held our shares during any taxable year in respect of which we were classified as a PFIC and continues to hold such shares (or any portion thereof) and has not previously made a mark-to-market election, and who is considering making a mark-to-market election, special tax rules may apply relating to purging the PFIC taint of such shares. Because a mark-to-market election cannot be made for any lower tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such U.S. Holder’s indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

We do not intend to provide the information necessary for U.S. Holders of our shares to make a qualified electing fund election, which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

If a U.S. Holder owns our shares during any taxable year that we are a PFIC, such U.S. Holder generally must file an annual report containing such information as the U.S. Treasury may require on IRS Form 8621 (or any successor form). A failure to file this form generally will suspend the statute of limitations with respect to any tax return, event, or period to which such report relates (potentially including with respect to items that do not relate to a U.S. holder’s investment in our shares).

Each U.S. Holder should consult its tax advisor concerning the U.S. federal income tax consequences of receiving, holding, and disposing of our shares if we are or become classified as a PFIC, including the possibility of making a mark-to-market election.

#### ***Information Reporting and Backup Withholding***

Payments of dividends and sales proceeds from a sale, exchange or other taxable disposition (including redemption) of our shares that are made within the United States, by a U.S. payor or through certain U.S.-related financial intermediaries to a U.S. Holder generally are subject to information reporting, unless the U.S. Holder is a corporation or other exempt recipient. In addition, such payments may be subject to backup withholding, unless (1) the U.S. Holder is a corporation or other exempt recipient or (2) the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding in the manner required.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will generally be allowed as a credit against the U.S. Holder’s U.S. federal income tax liability or may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS. Each U.S. Holder



should consult its own tax advisor regarding the information reporting and backup withholding rules in its particular circumstances and the availability of and procedures for obtaining an exemption from backup withholding.

#### ***Foreign Financial Asset Reporting***

Certain U.S. Holders who are individuals or certain specified entities that own “specified foreign financial assets” with an aggregate value in excess of U.S.\$50,000 (and in some circumstances, a higher threshold) may be required to report information relating to our shares by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets (which requires U.S. Holders to report “foreign financial assets,” which generally include financial accounts held at a non-U.S. financial institution, interests in non-U.S. entities, as well as stock and other securities issued by a non-U.S. person), to their tax return for each year in which they hold our shares, subject to certain exceptions (including an exception for our shares held in accounts maintained by U.S. financial institutions). U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to their acquisition, ownership, and disposition of our shares.

#### ***Treatment of Maxeon as a U.S. Company for U.S. Federal Income Tax Purposes***

Under current U.S. federal income tax law, a corporation is generally considered a tax resident in the jurisdiction of its organization or incorporation. Thus, as a corporation organized under the laws of Singapore, we expect to be classified as a non-U.S. corporation (and therefore a non-U.S. tax resident) for U.S. federal income tax purposes. In certain circumstances, however, Section 7874 of the Code may cause a corporation organized outside the United States to be treated as a U.S. corporation (and, therefore, taxable in the United States) unless one or more exceptions apply. The application of Section 7874 of the Code and its various exceptions is complex and subject to factual and legal uncertainties, with respect to some of which the IRS has yet to issue guidance. Moreover, changes to Section 7874 of the Code or the U.S. Treasury regulations promulgated thereunder (or other relevant provisions of U.S. federal income tax law), which may be given prospective or retroactive effect, could adversely affect our status as a non-U.S. corporation for U.S. federal income tax purposes. As a result, there can be no assurance that the IRS will agree with the position that we should not be treated as a U.S. corporation for U.S. federal income tax purposes; however, we expect that Section 7874 of the Code will not apply to treat us as a U.S.-resident corporation for U.S. federal income tax purposes. The foregoing discussion assumes that we are not treated as a U.S. corporation for U.S. federal income tax purposes.

If we were to be treated as a U.S. corporation for U.S. federal income tax purposes, we would be subject to U.S. corporate income tax on our worldwide income and the income of our non-U.S. subsidiaries would be subject to U.S. tax when deemed recognized under the U.S. federal income tax rules for controlled foreign subsidiaries. The gross amount of any dividends paid by us to a non-U.S. shareholder would be subject to U.S. withholding tax at a rate of 30% unless the non-U.S. shareholder were to be eligible for an exemption or reduced withholding rate under an applicable income tax treaty. However, the application of income tax treaties and relief thereunder to foreign corporations re-characterized as U.S. corporations pursuant to Section 7874 of the Code is subject to substantial uncertainty. In the event Section 7874 were to apply to an investment in our shares, non-U.S. investors in our shares should consult their advisors as to the potential application of any income tax treaty provisions to income received with respect to our shares. Also, in the event we were to be re-characterized as a U.S. corporation under Section 7874 of the Code, dividends paid by us to a U.S. Holder would be subject to U.S. reporting and backup withholding requirements as if we were a U.S. corporation.

#### ***Material Singapore Tax Considerations***

The following discussion is a summary of Singapore income tax, goods and services tax (“GST”) and stamp duty considerations relevant to the acquisition, ownership and disposition of our shares by an investor who is not tax resident or domiciled in Singapore and who does not carry on business or otherwise have a presence in Singapore. The statements made herein regarding taxation are general in nature and based upon certain aspects of the current tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as of the date hereof and are subject to any changes in such laws or administrative guidelines or the interpretation of such laws or guidelines occurring after such date, which changes could be made on a retrospective basis. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be

relevant to a decision to acquire, own or dispose of our shares and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective shareholders are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of our shares, taking into account their own particular circumstances. The statements below are based upon the assumption that we are a tax resident in Singapore for Singapore income tax purposes and we (including our subsidiaries) do not own any Singapore residential properties. It is emphasized that neither us nor any other persons involved in this registration statement accepts responsibility for any tax effects or liabilities resulting from the acquisition, holding or disposal of our shares.

### ***Income Taxation Under Singapore Law***

#### ***Dividends or Other Distributions with Respect to Shares***

Singapore does not impose withholding tax on dividend distributions. Under the one-tier corporate tax system, dividends paid by a Singapore tax resident company will be tax exempt in the hands of a shareholder, whether or not the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

A company is regarded as tax resident in Singapore if the control and management of the company's business is exercised in Singapore. Control and management is defined as the making of decisions on strategic matters, such as those concerning the company's policy and strategy. Generally, the location of the company's board of directors meetings where strategic decisions are made determines where the control and management is exercised. However, under certain scenarios, holding board meetings in Singapore may not be sufficient and other factors will be considered to determine if the control and management of the business is indeed exercised in Singapore.

#### ***Capital Gains upon Disposition of Shares***

Under current Singapore tax laws, there is no tax on capital gains while gains of an income nature would be subject to tax at the prevailing corporate income tax rate of 17.0%. There are no specific laws or regulations which deal with the characterization of whether a gain is income or capital in nature. Gains arising from the disposal of our shares may be construed to be of an income nature and subject to Singapore income tax, if they arise from activities which the Inland Revenue Authority of Singapore ("IRAS") regards as the carrying on of a trade or business in Singapore. Such gains, even if they do not arise from an activity in the ordinary course of trade or business or from an ordinary incident of some other business activity, may also be considered gains or profits of an income nature if the investor had the intention or purpose of making a profit at the time of acquisition of our shares.

However, under Singapore tax laws, there is a temporary safe harbor rule where any gains derived by a divesting company from its disposal of ordinary shares in an investee company between June 1, 2012 and December 31, 2027 are generally exempt from tax if immediately prior to the date of the relevant disposal, the divesting company has held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months. The safe harbor rule is only applicable if the divesting company, at the time of lodgment of its income tax return in Singapore relating to the period in which the disposal of ordinary shares occurred, provides such information and documentation as may be specified by the IRAS.

#### ***Goods and Services Tax***

Issuance and transfer of our shares to investors belonging in Singapore is exempt from GST and to investors belonging outside Singapore is zero-rated (i.e., charged at 0% GST). Consequently, investors should not incur any GST on the subscription of our shares. The subsequent disposal of our shares by investors is similarly exempt from GST or zero-rated, as the case may be. Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase or transfer of our shares will be subject to GST at the prevailing standard-rate (8.0% for fiscal year 2023 and has increased to 9.0% effective from January 1, 2024). Similar services rendered contractually to and directly for the benefit of an investor belonging outside Singapore should be zero-rated (i.e., charged at 0% GST) provided that the investor is not physically present in Singapore at the time the services are performed.

**Stamp Duty**

Where our shares evidenced in certificated forms are acquired in Singapore, stamp duty is payable on the instrument of their transfer at the rate of 0.2% of the consideration or market value of our shares, whichever is higher.

Where an instrument of transfer (including electronic documents) is executed outside Singapore, stamp duty may be payable if the instrument of transfer is executed outside Singapore and is received in Singapore. The stamp duty is borne by the purchaser unless there is an agreement to the contrary. An electronic instrument that is executed outside Singapore is considered received in Singapore if (a) it is retrieved or accessed by a person in Singapore; (b) an electronic copy of it is stored on a device (including a computer) and brought into Singapore; or (c) an electronic copy of it is stored on a computer in Singapore.

On the basis that any transfer instruments in respect of our shares traded on the NASDAQ are executed outside Singapore through our transfer agent and share registrar in the United States for registration in our branch share register maintained in the United States, no stamp duty would be payable in Singapore on such transfers to the extent that the instruments of transfer (including electronic documents) are not received in Singapore.

As the relevant deeming provisions under Section 60F of the Singapore Stamp Duty Act are quite broad, registered shareholders of our shares may wish to note that electronic document executed outside Singapore may still be deemed to be received in Singapore if the branch records is accessed/retrieved in Singapore. As it may not be practical to anticipate the circumstances where an instrument may be considered received in Singapore, investors should consult their tax advisors regarding the particular Singapore stamp duty implications for them.

**Tax Treaties Regarding Withholding Taxes**

There is no comprehensive avoidance of double taxation agreement between the United States and Singapore.

**10.F. DIVIDENDS AND PAYING AGENTS**

Not Applicable.

**10.G. STATEMENT BY EXPERTS**

Not Applicable.

**10.H. DOCUMENTS ON DISPLAY**

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. You may read any reports or other information that we file through EDGAR system through the SEC's website on the Internet at [www.sec.gov](http://www.sec.gov). The information on that website is not part of this annual report and is not incorporated by reference herein. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

Our financial statements have been prepared in accordance with GAAP. We will furnish our shareholders with annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with GAAP.

**10.I. SUBSIDIARY INFORMATION**

Not Applicable.

**10.J. ANNUAL REPORT TO SECURITY HOLDERS**

Not Applicable.

**ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The major financing risks faced by us will be managed by our treasury function. For information about the effects of currency and interest rate fluctuations and how we manage currency and interest risk, see “Item 5.B. Liquidity And Capital Resources”. Please also see the information set forth under “Note 12. *Derivative Financial Instruments*” of our consolidated financial statements and related notes included elsewhere in this Form 20-F.

**ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

**12.A. DEBT SECURITIES**

Not Applicable.

**12.B. WARRANTS AND RIGHTS**

Not Applicable.

**12.C. OTHER SECURITIES**

Not Applicable.

**12.D. AMERICAN DEPOSITARY SHARES**

Not Applicable.

**PART II**

**ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

Not Applicable.

**ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

Not Applicable.

**ITEM 15. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls and Procedures**

The Company maintains “disclosure controls and procedures,” as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to provide reasonable assurance that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management is required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure control and procedure also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based on their evaluation as of the end of the period covered by this Annual Report on Form 20-F, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2023.

**Management’s Report on Internal Control over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Management conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria described in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (“COSO”). Based

on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2023 based on the criteria described in Internal Control-Integrated Framework issued by COSO. Management reviewed the results of its assessment with our Audit Committee.

#### Attestation Report of the Registered Public Accounting Firm

The effectiveness of the Company's internal control over financial reporting as of December 31, 2023 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report included in this Annual Report on Form 20-F.

#### Changes in Internal Control over Financial Reporting

We regularly review our system of internal controls over financial reporting and make changes to our processes and systems to improve controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new and more efficient systems, consolidating activities, and migrating processes.

There were no changes in our internal control over financial reporting during fiscal year 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### ITEM 16. [RESERVED]

#### ITEM 16A. AUDIT COMMITTEE AND FINANCIAL EXPERT

Our Board has determined that each of Kris Sennesael and Donald Colvin qualifies as an "audit committee financial expert" as defined in Item 16A of Form 20-F. Each member of the Audit Committee is an "independent director" as defined in the Nasdaq Listing Rules.

#### ITEM 16B. CODE OF ETHICS

Our Board has adopted a code of business conduct and ethics that applies to all of our directors, officers, employees, including certain provisions that specifically apply to our principal executive officer, principal financial officer, principal accounting officer or controller and any other persons who perform similar functions for us. Our code of business conduct and ethics is filed as Exhibit 11.1 to this Form 20-F. The information contained on our website is not incorporated by reference in this Annual Report on Form 20-F. We will disclose on our website any amendments to, or waivers from, a provision of our code of business conduct and ethics that applies to our directors or executive officers to the extent required under the rules of the SEC or Nasdaq. The Company will provide any person a copy of its code of ethics, without charge, upon request. Such request should be addressed to the Company at 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981.

#### ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees billed by Ernst & Young LLP, our independent registered public accounting firm, and its associated or affiliated organization during the period indicated.

(In thousands)	Fiscal Year Ended	
	December 31, 2023	January 1, 2023
Audit fees	\$ 2,944	\$ 1,740
Audit-related fees <sup>(1)</sup>	329	381
Tax fees <sup>(2)</sup>	116	32
Others <sup>(3)</sup>	227	368
	<u>\$ 3,616</u>	<u>\$ 2,521</u>

- <sup>(1)</sup> Relates to the aggregate fees for services with respect to review of interim financial information and other professional services rendered related to the audit of our financial statements that are not reported under “audit fees.”
- <sup>(2)</sup> Relates to the aggregate fees for services with respect to tax compliance, tax advice and tax planning.
- <sup>(3)</sup> Fees for fiscal year 2023 primarily relates to the aggregate fees billed for the ordinary shares issuance for fiscal year ended December 31, 2023. Fees for fiscal year 2022 relates to the fees billed for the 2027 Notes issuance and professional services rendered for system implementation.

The policy of our Audit Committee is to pre-approve all audit and non-audit services provided by Ernst & Young LLP, our independent registered public accounting firm, including audit services, audit-related services and tax services as described above, other than those for de minimis services which are approved by the Audit Committee prior to the completion of the audit.

**ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

Not Applicable.

**ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

Not Applicable.

**ITEM 16F. CHANGE IN CERTIFYING ACCOUNTANT**

Not Applicable.

**ITEM 16G. CORPORATE GOVERNANCE**

We are subject to NASDAQ corporate governance standards. However, NASDAQ rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in Singapore, which is our home country, may differ significantly from NASDAQ corporate governance standards. Other than the home country practice described in the section “Item 6.C Board Practices—Corporate Governance Differences”, we are not aware of any significant ways in which our corporate governance practices differ from those followed by U.S. domestic companies under the NASDAQ listing rules. See “Item 3.D Risk Factors—Risks Related to the Ownership of Our Shares.”— As a foreign private issuer, we are permitted to and follow certain home country corporate governance requirements in lieu of certain NASDAQ requirements applicable to domestic issuers.”

**ITEM 16H. MINE SAFETY DISCLOSURE**

Not Applicable.

**ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not Applicable.

**ITEM 16J. INSIDER TRADING POLICIES**

Not Applicable.

## ITEM 16K. CYBERSECURITY

### *Risk management and strategy*

We have adopted policies, procedures, processes, and practices and implemented certain controls and procedures that allow our management to assess, identify and manage material risks from cybersecurity threats and for our Board of Directors, through our Audit Committee and Cyber Committee, to actively oversee the strategic direction, objectives, and effectiveness of our cybersecurity risk management framework.

Our cybersecurity processes compliment our enterprise-wide risk assessment architecture having identified cybersecurity risk as a significant enterprise risk. We monitor our processes as they relate to the identified risks and track any cybersecurity risk treatment plans for progress and completion. These processes are aligned with standard industry frameworks such as the National Institute of Standards and Technology (NIST), International Organization for Standardization (ISO) 27001, Center for Internet Security Critical Security Controls and other industry standards. To further improve the effectiveness of our cybersecurity risk management framework, we have in the past, and may continue to do so in the future, engage third party consultants to conduct external evaluations, including the performance of penetration testing, red team testing, maturity testing, independent audits or consulting on best practices to address new challenges.

We seek to address cybersecurity risks through a cross-functional approach that is focused on preserving the confidentiality, security, and availability of the information that we collect and store by identifying, preventing, and mitigating cybersecurity threats and effectively responding to cybersecurity incidents when they occur.

To identify and assess material risks from cybersecurity threats, we engage in regular network and endpoint monitoring, vulnerability assessments, threat hunting, penetration testing, and tabletop exercises. Data collected from these activities is sent to a secure centralized logs management system, as well to third party providers that we engage for 24x7 security monitoring, detection, and response. Our Global Information Security team (“GIS”), Chief Information Officer (“CIO”) and Chief Information Security Officer (“CISO”) meet regularly, bilaterally and as a team, to discuss threat levels, trends and remediation.

We have developed incident response plans by using the information gained through testing and monitoring to manage any identified vulnerabilities and further improve our cybersecurity preparedness and response infrastructure. Such plans set forth the actions to be taken in responding to and recovering from cybersecurity incidents, which include triage, assessing the severity of incidents, escalation protocols, containment of incidents, investigation of incidents, and remediation. We also regularly perform phishing tests of our employees and provide annual privacy and security training for all employees. Our security training incorporates awareness of cyber threats (including but not limited to malware, ransomware, and social engineering attacks), password hygiene and incident reporting processes.

We review our cybersecurity risk framework and related policies annually with our senior management to help identify areas for continued focus and improvement. We also engage third parties to review and audit our processes annually.

We have also implemented processes to identify, monitor and address material risks from cybersecurity threats associated with our use of third-party service providers, including those in our supply chain or who have access to our systems, data or facilities that house such systems or data. We may also require third parties to manage their cybersecurity risks in specified ways, and to provide us with the results of their cybersecurity audits. Prior to engaging our vendors, we typically perform vendor risk assessment through the use of questionnaires, interviews and assessment on the basis of a structured scorecard, including a vendor’s ability to protect data from unauthorized access, and through the use of cybersecurity ratings tools.

Although in the last three fiscal years we have not experienced any material cybersecurity incidents and the expenses we have incurred from cybersecurity incidents, including penalties and settlements, were immaterial, we may experience such incidents in the future and the scope and impact of any such future incidents cannot be predicted. We have described whether and how risks from identified cybersecurity threats, including as a result of



any previous cybersecurity incidents, may materially affect or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition in the risk factors titled “*We may be subject to breaches of information technology systems utilized by us or our suppliers, vendors, customers and other third parties with whom we conduct business, which could impact our business or our business data...*” and “*We may be subject to information technology system failures or network disruptions that could damage our business operations, financial conditions, or reputation*” in “Item 3.D. Risk Factors – Risk Factors Related to Cybersecurity” of this Annual Report on Form 20-F.

## **Governance**

### **Role of the Board of Directors and the Audit Committee**

As part of the Board of Directors’ role in overseeing our enterprise risk management program, which includes our cybersecurity risk management framework, the Board is responsible for exercising oversight of management’s identification and management of, and planning for, material cybersecurity risks that may reasonably be expected to impact us. While the full Board has overall responsibility for risk oversight, the Board has delegated oversight responsibility related to risks from cybersecurity threats to the Audit Committee. The Audit Committee is responsible for overseeing the strategic direction, objectives, and effectiveness of our cybersecurity risk management framework, taking into account our risk exposures and adequacy of its risk management processes. The Audit Committee is briefed by our CIO on our cybersecurity risk management and receives an overview of the cybersecurity program from management at least quarterly, which covers topics including, among others, recent cybersecurity risk landscape and trends, data security posture, results from third-party assessments, information security training and vulnerability management, our incident response plan, material cybersecurity risks, whether developing or actual, as well as the steps management has taken to respond to such risks, emerging cybersecurity regulations, technologies and best practices. The Board receives a quarterly report from the Audit Committee on its activities, including its oversight on cybersecurity risk. Material cybersecurity risks are also discussed during separate Board meetings as part of the Board’s risk oversight generally. The Audit Committee has engaged and may periodically continue to engage third-party experts to assess the effectiveness of our cybersecurity risk management framework.

### **Role of Management**

Our CIO has oversight of cybersecurity governance, decision-making, risk management, awareness, and compliance across the Company. Our CISO works with the CIO to employ a cybersecurity program designed to protect the Company’s information systems from cybersecurity threats and to respond to incidents in accordance with the Company’s incident response plan and other policies and procedures. The Cyber Committee (a subcommittee to the Company’s Disclosure Committee), chaired by the Chief Financial Officer, brings together the CIO, CISO, Chief Legal Officer, Data Protection Officer and any other representative of the management team who the Cyber Committee determined to be necessary or advisable from time to time depending on certain facts and circumstances. The Cyber Committee meets on an ad hoc basis in response to occurrence of a cybersecurity incident. The Cyber Committee provides a forum for these cross-functional members of management to:

- Design and establish controls and other procedures that facilitate information which the Audit Committee may require to assess if a cybersecurity incident is material, as well as information that may be required to be publicly disclosed to be gathered, recorded and communicated to allow timely materiality and disclosure decisions by the Audit Committee; and
- design and establish controls and other procedures that facilitate information that is required to be publicly disclosed to regulatory authorities or stakeholders, to be gathered and communicated to the Audit Committee, Disclosure Committee or our management, including, as appropriate, the CEO and CFO, as the case may be, to allow timely preparations and/or decisions regarding such required disclosure.

The CISO manages our GIS team. Through ongoing communications with the team, the CIO and the CISO are informed about and monitor the prevention, detection, mitigation and remediation of cybersecurity incidents and progress on cybersecurity infrastructure initiatives.

We have a Cyber Security Incident Response team, comprised of the outsourced Security Operations Center and Managed Detection and Response providers who provide input to our GIS, which in turn reviews and analyses such input for information security incidents. The Cyber Security Incident Response team would follow our Information Security Incident Response Procedure, which outlines the steps to be followed from incident detection to mitigation, recovery and notification, including notifying functional areas, such as accounting and legal, as well as the Cyber Committee, as appropriate. The GIS also manages the overall response to the incident, including containment, eradication, and recovery, together with other stakeholders such as the Data Protection Officer, and personnel across legal and regulatory, business operations, facility management, health & safety, human resources, business continuity planning, communications and finance & insurance functions. For incidents that are potentially material, together with the CIO and Chief Risk Management Officer (who is also our Chief Financial Officer), the GIS determines if escalation is required to the Cyber Committee, and manages the overall notification procedures, monitors the status of the incident, and ensures effective communication across the Company's cross functional teams. If an escalation is made to the Cyber Committee, the Cyber Committee would assess and analyze the potential materiality of the cybersecurity incident, including soliciting the views of the Cyber Security Incident Response Team or external consultants, as appropriate, and evaluate if a special meeting of the Audit Committee should be convened to facilitate the determination of the materiality of the cybersecurity incident and if the Company is obligated to make timely disclosures. The Cyber Committee would also consider if the cybersecurity incident has any privacy or data security concerns and if any regulatory filings and/ or notifications to stakeholders (which may include but are not limited to business partner, supplier, installer) are required.

Our CIO has 36 years of experience with information technology, including as an executive manager of information security functions and has been a chief information officer for more than 10 years in publicly listed companies. Our CIO holds a Bachelor of Science degree from University of San Francisco Information Systems Management. Our CISO, who has been a chief information security officer for more than 13 years and has more than 25 years of overall experience in IT and cyber security industry, holds a Bachelor of Science in Information Technology from Bina Nusantara University and Master of Business Administration from University of Liverpool.

### **PART III**

#### **ITEM 17. FINANCIAL STATEMENTS**

We have elected to provide financial statements pursuant to Item 18.

#### **ITEM 18. FINANCIAL STATEMENTS**

The consolidated financial statements of Maxeon are included at the end of this annual report.

**ITEM 19. EXHIBITS**

We have filed the following documents as exhibits to this Form 20-F:

<b>Exhibit Number</b>	<b>Description</b>
1.1	<a href="#">Maxeon Solar Technologies, Ltd.'s Constitution (incorporated by reference to Exhibit 99.1 from our report on Form 6-K (File No. 001-39368) filed with the SEC on August 27, 2020)</a>
2.1	<a href="#">Form of Specimen Share Certificate for Maxeon Solar Technologies, Ltd.'s Ordinary Shares (incorporated by reference to Exhibit 2.1 from our registration statement on Amendment No. 2 to Form 20-F (File No. 001-39368) filed with the SEC on July 31, 2020)</a>
2.2	<a href="#">Separation and Distribution Agreement, dated November 8, 2019, by and between SunPower Corporation and Maxeon Solar Technologies, Pte. Ltd. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by SunPower Corporation on November 12, 2019)</a>
2.3	<a href="#">Registration Rights Agreement, dated August 26, 2020, by and among Maxeon Solar Technologies, Ltd., Zhonghuan Singapore Investment and Development Pte. Ltd., Total Gaz Electricité Holdings France SAS and Total Solar INTL SA (incorporated by reference to Exhibit 99.10 from our report on Form 6-K (File No. 001-39368) filed with the SEC on August 27, 2020)</a>
2.4	<a href="#">Shareholders Agreement, dated August 26, 2020, by and among Maxeon Solar Technologies, Ltd., Zhonghuan Singapore Investment and Development Pte. Ltd., Total Gaz Electricité Holdings France SAS and Total Solar INTL SAS (incorporated by reference to Exhibit 99.11 from our report on Form 6-K (File No. 001-39368) filed with the SEC on August 27, 2020)</a>
2.5	<a href="#">Indenture, dated as of July 17, 2020, between Maxeon Solar Technologies, Ltd. and Deutsche Bank Trust Company Americas, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed by SunPower Corporation on July 20, 2020)</a>
2.6	<a href="#">Form of Global Note, representing Maxeon Solar Technologies, Ltd.'s 6.50% Green Convertible Senior Notes due 2025 (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed by SunPower Corporation on July 20, 2020)</a>
2.7	<a href="#">Description of Securities registered under Section 12 of the Exchange Act</a>
2.8†	<a href="#">Convertible Notes Purchase Agreement, dated August 12, 2022, by and between Maxeon Solar Technologies, Ltd. and Zhonghuan Singapore Investment and Development Pte. Ltd. (incorporated by reference to Exhibit 99.1 from our report on Form 6-K (File No. 001-39368) filed with the SEC on August 12, 2022)</a>
2.9†	<a href="#">Indenture, dated August 17, 2022, by and among Maxeon Solar Technologies, Ltd., the Guarantors party thereto, Deutsche Bank Trust Company Americas and DB Trustees (Hong Kong) Limited (incorporated by reference to Exhibit 99.1 from our report on Form 6-K (File No. 001-39368) filed with the SEC on August 17, 2022)</a>
2.10	<a href="#">Form of Global Note, representing Maxeon Solar Technologies, Ltd.'s 7.50% Convertible First Lien Senior Secured Notes due 2027 (incorporated by reference to Exhibit 99.2 from our report on Form 6-K (File No. 001-39368) filed with the SEC on August 17, 2022)</a>
2.11	<a href="#">Registration Rights Agreement, dated August 17, 2022, by and between Maxeon Solar Technologies, Ltd. and Zhonghuan Singapore Investment and Development Pte. Ltd. (incorporated by reference to Exhibit 99.3 from our report on Form 6-K (File No. 001-39368) filed with the SEC on August 17, 2022)</a>
2.12	<a href="#">Supplemental Indenture No. 1, dated September 30, 2022, by and among Maxeon Solar Technologies, Ltd., Deutsche Bank Trust Company Americas and DB Trustees (Hong Kong) Limited (incorporated by reference to Exhibit 99.1 from our report on Form 6-K (File No. 001-39368) filed with the SEC on October 4, 2022)</a>
2.13	<a href="#">Supplemental Indenture No. 2, dated October 14, 2022, by and among the Maxeon Solar Technologies, Ltd., SunPower Systems Sàrl, Deutsche Bank Trust Company Americas and DB Trustees (Hong Kong) Limited (incorporated by reference to Exhibit 99.1 from our report on Form 6-K (File No. 001-39368) filed with the SEC on October 18, 2022)</a>
2.14	<a href="#">Supplemental Indenture No. 3, dated October 14, 2022, by and among the Maxeon Solar Technologies, Ltd., SunPower Philippines Manufacturing Ltd., Deutsche Bank Trust Company Americas, DB Trustees (Hong Kong) Limited and Rizal Commercial Banking Corporation – Trust and Investments Group (incorporated by reference to Exhibit 99.2 from our report on Form 6-K (File No. 001-39368) filed with the SEC on October 18, 2022)</a>

<b>Exhibit Number</b>	<b>Description</b>
2.15	<a href="#">Supplemental Indenture No. 4, dated November 13, 2023, by and among the Maxeon Solar Technologies, Ltd., Deutsche Bank Trust Company Americas and DB Trustees (Hong Kong) Limited (incorporated by reference to Exhibit 99.1 from our report on Form 6-K (File No. 001-39368) filed with the SEC on November 14, 2023)</a>
2.16	<a href="#">Supplemental Indenture No. 5, dated January 30, 2024, by and among the Maxeon Solar Technologies, Ltd. and Deutsche Bank Trust Company Americas</a>
4.1	<a href="#">Tax Matters Agreement, dated August 26, 2020, by and between Maxeon Solar Technologies, Ltd. and SunPower Corporation (incorporated by reference to Exhibit 99.2 from our report on Form 6-K (File No. 001-39368) filed with the SEC on August 27, 2020)</a>
4.2	<a href="#">Brand Framework Agreement, dated August 26, 2020, by and between Maxeon Solar Technologies, Ltd. and SunPower Corporation (incorporated by reference to Exhibit 99.7 from our report on Form 6-K (File No. 001-39368) filed with the SEC on August 27, 2020)</a>
4.3	<a href="#">Cross-License Agreement, dated August 26, 2020, by and between Maxeon Solar Technologies, Ltd. and SunPower Corporation (incorporated by reference to Exhibit 99.8 from our report on Form 6-K (File No. 001-39368) filed with the SEC on August 27, 2020)</a>
4.4	<a href="#">Consent and Waiver Relating to Replacement Financing and Certain Other Matters, dated July 9, 2020, among SunPower Corporation, Maxeon Solar Technologies, Pte. Ltd. and Tianjin Zhonghuan Semiconductor Co., Ltd.† (incorporated by reference to Exhibit 4.10 from our registration statement on Amendment No. 2 to Form 20-F (File No. 001-39368) filed with the SEC on July 31, 2020)</a>
4.6	<a href="#">Prepaid Forward Share Purchase Confirmation, dated as of July 17, 2020, by and between Maxeon Solar Technologies, Ltd. and Merrill Lynch International (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by SunPower Corporation on July 20, 2020)</a>
4.7	<a href="#">Physical Delivery Forward Confirmation, dated as of July 17, 2020, by and between Maxeon Solar Technologies, Ltd. and Merrill Lynch International (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by SunPower Corporation on July 20, 2020)</a>
4.8	<a href="#">Equity Transfer by and among SunPower Manufacturing Corporation Limited and Zhonghuan Hong Kong Holding Limited dated April 26, 2024 (incorporated by reference to Exhibit 99.1 from our report on Form 6-K (File No. 001-39368) filed with the SEC on April 26, 2024)</a>
4.9	<a href="#">Intellectual Property License Agreement by and among Maxeon Solar Pte. Ltd. and Zhonghuan Singapore Investment and Development Pte. Ltd. dated April 26, 2024 (incorporated by reference to Exhibit 99.2 from our report on Form 6-K (File No. 001-39368) filed with the SEC on April 26, 2024)</a>
4.10	<a href="#">Termination Agreement by and among Maxeon Solar Pte. Ltd., Huansheng Photovoltaic (Jiangsu) Co., Ltd., Huansheng New Energy (Jiangsu) Co., Ltd., Huansheng New Energy (Tianjin) Co., Ltd., Maxeon Solar Technologies, Ltd., TCL Zhonghuan Renewable Energy Technology Co., Ltd., and SunPower Systems International Limited dated April 26, 2024 (incorporated by reference to Exhibit 99.3 from our report on Form 6-K (File No. 001-39368) filed with the SEC on April 26, 2024)</a>
4.11	<a href="#">DG P-Series Products Master Supply Agreement by and among Huansheng Photovoltaic (Jiangsu) Co., Ltd., Huansheng New Energy (Jiangsu) Co., Ltd. and Maxeon Solar Technologies, Ltd. dated April 26, 2024 (incorporated by reference to Exhibit 99.4 from our report on Form 6-K (File No. 001-39368) filed with the SEC on April 26, 2024)</a>
4.12	<a href="#">Master Contract for the Supply of Goods and/or Services, dated as of October 27, 2021, by and between Maxeon Solar Pte. Ltd. and TotalEnergies Global Procurement (incorporated by reference to Exhibit 99.2 from our report on Form 6-K (File No. 001-39368) filed with SEC on November 17, 2021)</a>
4.13	<a href="#">Silicon Wafer Master Supply Agreement dated as November 16, 2021, by and between Maxeon Solar Pte. Ltd. and Zhonghuan Hong Kong Holdings Limited. (incorporated by reference to Exhibit 99.2 from our report on Form 6-K (File No. 001-39368) filed with SEC on November 17, 2021)</a>
4.14†	<a href="#">Amendment, Settlement and Release Agreement, dated November 13, 2024, by and among Maxeon Solar Technologies, Ltd. and SunPower Corporation (incorporated by reference to Exhibit 99.2 from our report on Form 6-K (File No. 001-39368) filed with the SEC on November 15, 2023)</a>

<u>Exhibit Number</u>	<u>Description</u>
8.1	<a href="#">List of Subsidiaries</a>
11.1	<a href="#">Code of Business Conduct and Ethics</a>
11.2	<a href="#">Insider Trading Policy</a>
12.1*	<a href="#">Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
12.2*	<a href="#">Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
13.1**	<a href="#">Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
13.2**	<a href="#">Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
15.1*	<a href="#">Consent of Ernst &amp; Young LLP</a>
97*	<a href="#">Compensation Recovery Policy</a>
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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\* Filed herewith.

\*\* Furnished herewith.

† Portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K because the Company customarily and actually treats the redacted information as private or confidential and the omitted information is not material.

**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

MAXEON SOLAR TECHNOLOGIES, LTD.

By: /s/ William Mulligan  
Name: William Mulligan  
Title: Director and Chief Executive Officer

Date: May 30, 2024

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

*To the Stockholders and the Board of Directors of Maxeon Solar Technologies, Ltd.*

***Opinion on the Financial Statements***

We have audited the accompanying consolidated balance sheets of Maxeon Solar Technologies, Ltd. (the Company) as of December 31, 2023 and January 1, 2023, the related consolidated statements of operations, comprehensive loss, equity, and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and January 1, 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated May 30, 2024 expressed an unqualified opinion thereon.

***The Company's Ability to Continue as a Going Concern***

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has suffered recurring losses from operations and negative free cash flows and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding 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.

***Adoption of ASU No. 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity***

As discussed in Note 11 to the consolidated financial statements, the Company has changed its method for accounting for convertible notes due to the adoption of ASU No. 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity.

***Basis for Opinion***

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

***Critical Audit Matters***

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) 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 matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

***Warranty Valuation***

***Description of the Matter***

As discussed in Notes 2 and 9 to the consolidated financial statements, the Company provides a 25-year standard warranty for its manufactured solar panels, for defects in materials and workmanship and for greater than promised declines in power performance. The Company also provides a 40-year standard warranty period for certain Maxeon line modules in certain countries, effective for systems installed on or after January 1, 2022. The Company's warranty reserves, which totaled \$21.0 million (Short Term + Long Term Product Warranty) as of December 31, 2023, are generally computed using a statistical model that incorporates assumptions based on management's best estimate of expected costs that could result from these warranties. This estimate considers a variety of factors, including historical warranty claims, results of accelerated lab testing, field monitoring, vendor reliability estimates, and industry data for similar products.

Auditing the Company's warranty accrual involved a high degree of subjectivity due to significant measurement uncertainty associated with the estimate given the relatively short period of available historical data in relation to the contractual warranty period, and the sensitivity of the Company's estimation of required reserves to changes in significant assumptions, including management's projection of future failure rates and expected product repair or replacement costs.

***How We Addressed the Matter in Our Audit***

We obtained an understanding, evaluated the design, and tested the operating effectiveness of the Company's internal controls over the warranty reserve process. This included controls over the development and review of the significant assumptions and data underlying the warranty reserve computation.

Our audit procedures included, among others, evaluating the significant assumptions used by the Company in estimating warranty reserve. We assessed the historical accuracy of management's estimates, obtained support to evaluate repair or replacement cost estimates and failure rate assumptions, and performed sensitivity analyses to evaluate the effect of potential changes in assumptions that were most significant to the estimate. We also involved a specialist to assist in the evaluation of the methodology applied, including the recalculation of management's assumptions, within the Company's statistical model.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

*Inventory Reserve Valuation*

*Description of the Matter*

The Company's net inventories totaled \$308.9 million as of December 31, 2023, which included \$30.5 million of inventory reserves. As explained in Note 2 to the consolidated financial statements, the Company computed inventory cost on a first-in-first-out basis, and applied judgment in determining the realizability and the valuation of inventories. Excess and obsolete inventories and inventories with unfavorable pricing and cost fluctuations were written down to the estimated net realizable value if less than cost. The determination of the net realizable value associated with the eventual disposition of inventory involved significant judgments that considered several factors affected by market and economic conditions outside of the Company's control. In particular, the significant assumptions applied were sensitive to the expected demand for the Company's products in relation to industry supply and demand and competitive pricing environments.

Auditing management's assessment of net realizable value for inventory was challenging because it involved subjective auditor judgment to evaluate management's assessment of the factors that are affected by market and economic conditions outside of the Company's control.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design, and tested the operating effectiveness of the Company's internal controls over the inventory valuation process. This included controls over the determination and calculation of the inventory's expected lower of cost or net realizable value, including related estimated selling prices, and the Company's excess and obsolete inventory reserve process, including the determination of product demand forecasts, as well as reserve process for inventories with unfavorable pricing and cost fluctuations, and how factors outside of the Company's control might affect management's judgment related to the valuation of excess and obsolete inventory and inventories with unfavorable pricing and cost fluctuations.

Our substantive audit procedures included, among others, evaluating the significant assumptions, including the Company's estimated selling prices and product demand forecasts, and testing the underlying data used in management's inventory valuation assessment. We evaluated inventory levels compared to forecasted product demand, historical sales, and specific product considerations. We also compared the demand forecast to previous forecasts and actual results to evaluate management's estimates and performed sensitivity analyses to evaluate the changes in inventory valuation that would result from changes in the significant assumptions.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2020.

Singapore May 30, 2024

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

*To the Stockholders and the Board of Directors of Maxeon Solar Technologies, Ltd.*

***Opinion on Internal Control Over Financial Reporting***

We have audited Maxeon Solar Technologies, Ltd.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Maxeon Solar Technologies, Ltd. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and January 1, 2023, the related consolidated statements of operations, comprehensive loss, equity, and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and our report dated May 30, 2024 expressed an unqualified opinion thereon that included an explanatory paragraph regarding the Company's ability to continue as a going concern.

***Basis for Opinion***

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

***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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

/s/ Ernst & Young LLP

Singapore  
May 30, 2024

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

	December 31, 2023	January 1, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 190,169	\$ 227,442
Short-term securities	—	76,000
Restricted short-term marketable securities	1,403	968
Accounts receivable, net <sup>(1)</sup>	62,687	54,301
Inventories	308,948	303,230
Prepaid expenses and other current assets <sup>(1)</sup>	55,812	129,108
<b>Total current assets</b>	<b>\$ 619,019</b>	<b>\$ 791,049</b>
Property, plant and equipment, net	280,025	380,468
Operating lease right of use assets	22,824	17,844
Intangible assets, net	3,352	291
Goodwill	7,879	—
Deferred tax assets	—	10,348
Other long-term assets <sup>(1)</sup>	68,910	60,418
<b>Total assets</b>	<b>\$ 1,002,009</b>	<b>\$ 1,260,418</b>
<b>Liabilities and Equity</b>		
Current liabilities		
Accounts payable <sup>(1)</sup>	\$ 153,020	\$ 247,870
Accrued liabilities <sup>(1)</sup>	113,456	135,157
Contract liabilities, current portion <sup>(1)</sup>	134,171	139,267
Short-term debt	25,432	50,526
Operating lease liabilities, current portion	5,857	3,412
<b>Total current liabilities</b>	<b>\$ 431,936</b>	<b>\$ 576,232</b>
Long-term debt	1,203	1,649
Contract liabilities, net of current portion <sup>(1)</sup>	113,564	161,678
Operating lease liabilities, net of current portion	19,611	15,603
Convertible debt <sup>(1)</sup>	385,558	378,610
Deferred tax liabilities	7,001	14,913
Other long-term liabilities <sup>(1)</sup>	38,494	63,663
<b>Total liabilities</b>	<b>\$ 997,367</b>	<b>\$ 1,212,348</b>
Commitments and contingencies (Note 9)		
Equity		
Common stock, no par value (53,959,109 and 45,033,027 issued and outstanding as of December 31, 2023 and January 1, 2023, respectively)	\$ —	\$ —
Additional paid-in capital	811,361	584,808
Accumulated deficit	(796,092)	(520,263)
Accumulated other comprehensive loss	(16,378)	(22,108)
Equity attributable to the Company	(1,109)	42,437
Noncontrolling interests	5,751	5,633
Total equity	4,642	48,070
<b>Total liabilities and equity</b>	<b>\$ 1,002,009</b>	<b>\$ 1,260,418</b>

<sup>(1)</sup> We have related-party balances for transactions with TCL Zhonghuan Renewable Energy Technology Co. Ltd, SunPower and TotalEnergies S.E. and its affiliates as well as unconsolidated entities in which we have a direct

equity investment. These related-party balances are recorded within the “Accounts receivable, net,” “Prepaid expenses and other current assets,” “Other long-term assets,” “Accounts payable,” “Accrued liabilities,” “Contract liabilities, current portion,” “Contract liabilities, net of current portion,” “Convertible debt,” and “Other long-term liabilities” financial statement line items in our Consolidated Balance Sheets (see Note 3, Note 4, Note 6, Note 10 and Note 11).

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

**MAXEON SOLAR TECHNOLOGIES, LTD.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)

	Fiscal Year Ended		
	December 31, 2023	January 1, 2023	January 2, 2022
Revenue <sup>(1)</sup>	\$ 1,123,110	\$ 1,060,113	\$ 783,279
Cost of revenue <sup>(1)</sup>	1,044,995	1,108,061	812,293
Gross profit (loss)	78,115	(47,948)	(29,014)
Operating expenses			
Research and development <sup>(1)</sup>	45,703	49,682	46,527
Sales, general and administrative <sup>(1)</sup>	126,167	100,546	88,822
Restructuring charges	125,450	2,118	8,084
Total operating expenses	297,320	152,346	143,433
Operating loss	(219,205)	(200,294)	(172,447)
Other expense, net			
Interest expense <sup>(1)</sup>	(42,438)	(30,343)	(28,138)
Interest income	9,387	2,531	290
Loss on extinguishment of debt	—	—	(5,075)
Other, net	(21,270)	2,223	(33,693)
Other expense, net	(54,321)	(25,589)	(66,616)
Loss before income taxes and equity in losses of unconsolidated investees	(273,526)	(225,883)	(239,063)
Benefits from (provision for) income taxes	626	(32,191)	(203)
Equity in losses of unconsolidated investees	(2,811)	(9,072)	(16,480)
Net loss	(275,711)	(267,146)	(255,746)
Net (income) loss attributable to noncontrolling interests	(118)	(278)	1,226
Net loss attributable to stockholders	\$ (275,829)	\$ (267,424)	\$ (254,520)
Loss per share:			
Basic and diluted	\$ (5.95)	\$ (6.54)	\$ (6.79)
Weighted average shares used in loss per share computation:			
Basic and diluted	46,387	40,920	37,457

<sup>(1)</sup> We have related-party transactions with TCL Zhonghuan Renewable Energy Technology Co. Ltd, SunPower and TotalEnergies S.E. and its affiliates as well as unconsolidated entities in which we have a direct equity investment. These related-party transactions are recorded within the “Revenue,” “Cost of revenue,” “Operating expenses: Research and development and Sales, general and administrative,” and “Other expense, net: Interest expense” financial statement line items in our Consolidated Statements of Operations (see Note 3, Note 4 and Note 10).

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

**MAXEON SOLAR TECHNOLOGIES, LTD.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
**(In thousands)**

	<b>Fiscal Year Ended</b>		
	<b>December 31, 2023</b>	<b>January 1, 2023</b>	<b>January 2, 2022</b>
Net loss	\$ (275,711)	\$ (267,146)	\$ (255,746)
Components of other comprehensive loss, net of taxes			
Currency translation adjustment	2,245	(2,954)	(5,461)
Net change in derivatives (Note 12)	4,077	(8,207)	3,165
Net (loss) gain on long-term pension liability adjustment	(592)	897	843
Total other comprehensive income (loss)	5,730	(10,264)	(1,453)
Total comprehensive loss	(269,981)	(277,410)	(257,199)
Comprehensive (income) loss attributable to noncontrolling interests	(118)	(278)	1,226
Comprehensive loss attributable to stockholders	\$ (270,099)	\$ (277,688)	\$ (255,973)

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



**MAXEON SOLAR TECHNOLOGIES, LTD.**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(In thousands)

	Shares	Amount	Additional paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Equity Attributable to the Company	Noncontrolling Interests	Total Equity
<b>Balance at January 3, 2021</b>	<b>33,995</b>	<b>\$ —</b>	<b>\$ 451,474</b>	<b>\$ (8,441)</b>	<b>\$ (10,391)</b>	<b>\$ 432,642</b>	<b>\$ 6,645</b>	<b>439,287</b>
Net loss	—	—	—	(254,520)	—	(254,520)	(1,226)	(255,746)
Issuance of common stock, net of issuance cost	9,916	—	169,684	—	—	169,684	—	169,684
Issuance of common stock for stock-based compensation, net of tax withheld	336	—	(4,245)	—	—	(4,245)	—	(4,245)
Recognition of stock-based compensation	—	—	7,348	—	—	7,348	—	7,348
Other comprehensive loss	—	—	—	—	(1,453)	(1,453)	—	(1,453)
<b>Balance at January 2, 2022</b>	<b>44,247</b>	<b>—</b>	<b>624,261</b>	<b>(262,961)</b>	<b>(11,844)</b>	<b>349,456</b>	<b>5,419</b>	<b>354,875</b>
Effect of adoption of ASU 2020-06	—	—	(52,188)	10,122	—	(42,066)	—	(42,066)
Net (loss) income	—	—	—	(267,424)	—	(267,424)	278	(267,146)
Issuance of common stock for stock-based compensation, net of tax withheld	786	—	(257)	—	—	(257)	—	(257)
Distribution to non-controlling interests	—	—	—	—	—	—	(64)	(64)
Recognition of stock-based compensation	—	—	12,992	—	—	12,992	—	12,992
Other comprehensive loss	—	—	—	—	(10,264)	(10,264)	—	(10,264)
<b>Balance at January 1, 2023</b>	<b>45,033</b>	<b>—</b>	<b>584,808</b>	<b>(520,263)</b>	<b>(22,108)</b>	<b>42,437</b>	<b>5,633</b>	<b>48,070</b>
Net (loss) income	—	—	—	(275,829)	—	(275,829)	118	(275,711)
Issuance of common stock, net of issuance cost	8,220	—	204,480	—	—	204,480	—	204,480
Issuance of common stock for stock-based compensation	706	—	—	—	—	—	—	—
Recognition of stock-based compensation	—	—	22,073	—	—	22,073	—	22,073
Other comprehensive income	—	—	—	—	5,730	5,730	—	5,730
<b>Balance at December 31, 2023</b>	<b>53,959</b>	<b>—</b>	<b>811,361</b>	<b>(796,092)</b>	<b>(16,378)</b>	<b>(1,109)</b>	<b>5,751</b>	<b>4,642</b>

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

**MAXEON SOLAR TECHNOLOGIES, LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	Fiscal Year Ended		
	December 31, 2023	January 1, 2023	January 2, 2022
<b>Cash flows from operating activities</b>			
Net loss	\$ (275,711)	\$ (267,146)	\$ (255,746)
Adjustments to reconcile net loss to net cash used in operating activities			
Depreciation and amortization	55,880	56,742	42,210
Stock-based compensation	18,327	14,580	7,231
Non-cash interest expense	9,063	7,078	13,361
Gain from dilution of interest in joint venture	—	—	(2,975)
Gain from disposal of asset held for sale	(2,006)	—	—
Equity in losses of unconsolidated investees	2,811	9,072	16,480
Loss on debt extinguishment	—	—	5,075
Loss on retirement of property, plant and equipment	196	243	2,442
Loss on impairment of operating lease right of use assets	708	—	—
Loss on impairment of property, plant and equipment	76,332	417	—
Deferred income taxes	2,436	8,598	5,587
Remeasurement loss (gain) on prepaid forward	18,363	(2,411)	34,468
Provision for (utilization of) excess or obsolete inventories	10,804	16,342	(319)
Other, net	135	1,084	(1,765)
Changes in operating assets and liabilities			
Accounts receivable	(8,331)	(15,332)	38,268
Inventories	(43,473)	(106,622)	(43,174)
Prepaid expenses and other assets	29,741	13,939	20,618
Operating lease right-of-use assets	5,241	3,192	2,449
Advances to suppliers	2,137	—	—
Accounts payable and other accrued liabilities	(97,660)	70,567	41,098
Contract liabilities	(55,109)	195,650	72,488
Operating lease liabilities	(4,179)	(2,556)	(2,662)
Net cash (used in) provided by operating activities	(254,295)	3,437	(4,866)
<b>Cash flows from investing activities</b>			

	Fiscal Year Ended		
	December 31, 2023	January 1, 2023	January 2, 2022
Purchases of property, plant and equipment	(67,452)	(63,337)	(154,194)
Proceeds from disposal of restricted short-term marketable securities	971	958	1,318
Purchase of restricted short-term marketable securities	(1,408)	(968)	(1,094)
Proceeds from maturity of short-term securities	136,000	—	—
Purchase of short-term securities	(60,000)	(76,000)	—
Proceeds from disposal of asset held for sale	5,961	—	—
Proceeds from (cash paid for) disposal of property, plant and equipment	—	189	(417)
Purchases of intangibles	(146)	(143)	(61)
Net cash provided by (used in) investing activities	<u>13,926</u>	<u>(139,301)</u>	<u>(154,448)</u>
<b>Cash flows from financing activities</b>			
Proceeds from debt	195,639	258,426	170,311
Repayment of debt	(220,598)	(233,138)	(193,237)
Payment for tax withholding obligations for issuance of common stock upon vesting of restricted stock units	—	(257)	(4,245)
Net proceeds from issuance of convertible debt	—	187,232	—
Net proceeds from issuance of common stock	193,491	—	169,684
Distribution to noncontrolling interest	—	(64)	—
Repayment of finance lease obligations and other debt	(581)	(725)	(705)
Net cash provided by financing activities	<u>167,951</u>	<u>211,474</u>	<u>141,808</u>
Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	(32)	119	166
Net (decrease) increase in cash, cash equivalents, restricted cash and restricted cash equivalents	(72,450)	75,729	(17,340)
Cash, cash equivalents, restricted cash and restricted cash equivalents, beginning of period	267,961	192,232	209,572
Cash, cash equivalents, restricted cash and restricted cash equivalents, end of period	<u>\$ 195,511</u>	<u>\$ 267,961</u>	<u>\$ 192,232</u>
<b>Non-cash transactions</b>			
Property, plant and equipment purchases funded by liabilities	5,491	\$ 35,264	\$ 58,562
Right-of-use assets obtained in exchange for lease obligations	10,929	5,639	5,029
Cost for acquisition of assets paid in shares	10,989	—	—
Cost from issuance of common stock paid in shares	—	—	1,078
Property, plant and equipment obtained through capital lease	—	2,127	—
<b>Supplemental cash flow information</b>			
Cash paid for interest	\$ 30,941	\$ 12,910	\$ 15,159
Cash paid for income taxes	15,210	6,454	9,584

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

The following table reconciles our cash and cash equivalents and restricted cash and restricted cash equivalents reported on our Consolidated Balance Sheets and the cash, cash equivalents, restricted cash and restricted cash equivalents reported on our Consolidated Statements of Cash Flows for fiscal years 2023, 2022 and 2021:

<b>(In thousands)</b>	<b>December 31, 2023</b>		<b>January 1, 2023</b>		<b>January 2, 2022</b>	
Cash and cash equivalents	\$	190,169	\$	227,442	\$	166,542
Restricted cash and restricted cash equivalents, current portion, included in prepaid expenses and other current assets		5,242		37,974		1,661
Restricted cash and restricted cash equivalents, net of current portion, included in other long-term assets		100		2,545		24,029
Total cash, cash equivalents, restricted cash and restricted cash equivalents shown in Consolidated Statements of Cash Flows	\$	195,511	\$	267,961	\$	192,232

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

## NOTE 1. BACKGROUND

### *Background*

We were formed in the third quarter of 2019 under the name “Maxeon Solar Technologies, Pte. Ltd.” by SunPower Corporation (“SunPower”). We were converted to a public company on August 26, 2020 (the “Distribution Date”) under the Companies Act 1967 of Singapore (the “Singapore Companies Act”) under the name of “Maxeon Solar Technologies, Ltd.” by way of a pro rata distribution of all of the then-issued and outstanding ordinary shares of Maxeon to holders of record of SunPower’s common stock as of the close of business on August 17, 2020 (the “Spin-off”). As of the Distribution Date, Maxeon became an independent, public company and the Maxeon shares started trading on the NASDAQ Global Select Market (“NASDAQ” or “Nasdaq”) under the symbol “MAXN”.

In connection with the Spin-off, Maxeon and SunPower entered into a number of agreements providing for the framework of the relationship between the two companies following the Spin-off. On November 8, 2019, we entered into a separation and distribution agreement with SunPower which sets forth our agreements with SunPower regarding the principal actions to be taken in connection with the separation and distribution (the “Separation and Distribution Agreement”). Immediately after the Distribution and pursuant to the terms of the November 8, 2019 Investment Agreement (the “Investment Agreement”), Maxeon and TCL Zhonghuan Renewable Energy Technology Co. Ltd., a PRC joint stock limited company (“TZE”), completed the previously announced transaction in which Zhonghuan Singapore Investment and Development Pte. Ltd., a Singapore private limited company (“TZE SG”) and an affiliate of TZE, purchased from Maxeon, for \$298.0 million, 8,915,692 of Maxeon shares (the “TZE Investment”), representing approximately 29.5% of the outstanding Maxeon shares after giving effect to the Spin-off and the TZE Investment.

In connection with the TZE Investment, Maxeon, TotalEnergies Solar, TotalEnergies Gaz, and TZE SG, entered into a Shareholders Agreement relating to certain rights and obligations of each of Total and TZE SG bearing on Maxeon’s governance and the ability of TotalEnergies and TZE SG to buy, sell or vote their Maxeon shares. At the closing of the TZE Investment, Maxeon also entered into a Registration Rights Agreement with TotalEnergies and TZE SG, granting each of the shareholders certain registration rights with regard to their Maxeon shares.

In April 2021, the Company entered into the 2021 TZE Private Placement, with an affiliate of TZE, the Company sold to TZE 1,870,000 ordinary shares at a price of \$18.00 per share, in a private placement (the “2021 TZE Private Placement”) exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”).

On August 17, 2022, we issued our 2027 Notes (as defined under “Note 4. TCL Zhonghuan Renewable Energy Technology Co.”), all of which were initially purchased by TZE SG. To the extent some or all of the 2027 Notes held by TZE SG are converted into Maxeon shares or we directly issue ordinary shares in lieu of interest cash payment in accordance with the terms of the 2027 Notes, TZE has a beneficial ownership interest in 19,734,322 ordinary shares which includes 10,785,692 outstanding ordinary shares beneficially owned by TZE following the consummation of the Spin-Off and the 2021 TZE Private Placement, and 8,948,630 ordinary shares issuable upon conversion of the 2027 Notes. The maximum number of ordinary shares issuable upon conversion of the 2027 Notes is 10,908,331 ordinary shares including 8,948,630 ordinary shares issuable upon conversion of the 2027 Notes and an additional 1,959,701 ordinary shares issuable upon conversion of PIK Notes (as defined under “Note 11. Debt and Credit Sources.”), or by directly issuing ordinary shares in lieu of cash payment of interest (“Interest Payment Ordinary Shares”), assuming payment of all amounts due with respect to the remaining 4.0% of interest payable as PIK Notes or as Interest Payment Ordinary Shares.

On May 19, 2023, the Company completed an underwritten public offering of an aggregate of 7,490,000 ordinary shares (following the underwriters' exercise of the over-allotment option in full), including 5,620,000 ordinary shares offered by Maxeon (the "Company Offering"), and 1,870,000 ordinary shares offered by an affiliate of TotalEnergies SE (the "TotalEnergies Offering" and, together with the Company Offering, the "2023 Offering"), each at a price per share of \$28.00.

In addition, pursuant to a share purchase agreement, dated May 16, 2023, Maxeon sold to TZE SG, in a private placement exempt from the registration requirements of the Securities Act, and at a sale price equal to the price to the public in the 2023 Offering, 1,500,000 ordinary shares for a total investment of \$42.0 million (the "2023 TZE Private Placement"). The net proceeds from the Company Offering and 2023 TZE Private Placement were approximately \$193.5 million after giving effect to the underwriting discounts and commissions, as well as other offering costs. The Company did not receive any proceeds from the TotalEnergies Offering.

As of December 31, 2023, TotalEnergies's and TZE SG's ownership of the Maxeon outstanding shares was approximately 14.8% and 22.8%, respectively.

## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### *Fiscal Periods*

The Company has a 52-to-53-week fiscal year that ends on the Sunday closest to December 31. Accordingly, every fifth or sixth year will be a 53-week fiscal year. Fiscal year 2023, 2022 and 2021 are 52-week fiscal years. Our fiscal year 2023 ended on December 31, 2023, our fiscal year 2022 ended on January 1, 2023 and our fiscal year 2021 ended on January 2, 2022.

### *Basis of Presentation and Preparation*

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") and incorporates the financial statements, its subsidiaries and the VIEs for which the Company or a subsidiary of the Company is the primary beneficiary. All intercompany transactions and accounts within the consolidated businesses of the Company have been eliminated.

### *Going Concern*

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Pursuant to ASC Topic 205-40, "Presentation of Financial Statements - Going Concern" the Company has the responsibility to evaluate whether conditions and/or events raise substantial doubt about our ability to meet our future financial obligations as they become due within one year of the financial statements filing date.

The Company has suffered recurring losses from operations and had an accumulated deficit of \$796.1 million as of December 31, 2023. Further, since the third quarter of 2023, the worldwide solar industry has suffered from oversupply and intense competition, as well as lower demand in our key markets driven by regulatory changes and a higher global interest-rate environment. All these factors have contributed to a steep fall in average selling prices that has negatively impacted our revenue, profitability and cash flows. Furthermore, several large customers in the United States have cancelled or deferred their off-take commitments, further contributing to the deterioration of the Company's financial condition. Our unrestricted cash and cash equivalent balance as at December 31, 2023 was \$190.2 million and this has deteriorated to \$98.0 million as at March 31, 2024. If the current market conditions persist and the Company is not successful in raising additional capital, the Company will not have sufficient liquidity to meet its financial obligations as and when they come due, and may be required to delay, limit, and/or reduce its operational activities. As such, there is substantial doubt about the Company's ability to continue as a going concern.

As part of the efforts to raise additional financing to alleviate the substantial doubt on going concern, management has received a funding commitment from our largest shareholder. TZE has agreed to provide long-term funding of up to \$197.5 million in debt, equity-linked and/or equity financing, subject to certain conditions and

regulatory approvals. These conditions include but are not limited to the restructuring of the Company's Green Convertible Notes (as defined under "Note 11. Debt and Credit Sources.") on terms mutually acceptable to the Company and the noteholders, as well as certain regulatory approvals in China and the United States. These financing plans have obtained the approvals of the board of directors for both TZE and the Company. In addition, the Company has taken steps to enhance its ability to fund its operational expenses by reducing various costs and, is prepared to take additional steps as and when necessary to further reduce its operating costs. In aggregate, while there can be no assurances that the Company will be able to obtain the needed financing which is subjected to regulatory approvals, management believes that the funding plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. Accordingly, we have prepared the financial statements on the going concern basis.

#### *Use of Estimates*

The preparation of the consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Significant estimates in these consolidated financial statements include (i) inventory write-downs; (ii) long-lived asset impairment, specifically estimates for valuation assumptions including future cash flows, economic useful lives of property, plant and equipment and intangible assets; (iii) valuation of contingencies such as accrued warranty; (iv) income taxes and tax valuation allowances; and (v) determining if we are the primary beneficiary in variable interest entities. Actual results could materially differ from those estimates.

Due to the macro-economic trends such as the continued heightened geopolitical tensions and the ongoing war in Ukraine and the Israel-Hamas-Iran conflict, there has been continued uncertainty and disruption in the global economy and financial markets. We are not aware of any specific event or circumstance that would require updates to our estimates and judgments or require us to revise the carrying value of our assets or liabilities as of the date of issuance of the financial statements. These estimates may change as new events occur and additional information is obtained. Actual results could differ materially from these estimates under different assumptions or conditions.

#### *Lease Accounting – Arrangements with Maxeon as a lessee*

We determine if an arrangement is a lease at inception. Our operating lease agreements are primarily for real estate and are included within operating lease right-of-use ("ROU") assets and operating lease liabilities on the Consolidated Balance Sheets. Finance leased assets are included in property, plant and equipment, net and finance lease liabilities are included in short-term debt and long-term debt on the Consolidated Balance Sheets. We elected the practical expedient to combine our lease and related non-lease components for all our leases. In addition, leases with an initial term of 12 months or less are not recorded on the Consolidated Balance Sheets and the Company recognizes lease expense for these leases on a straight-line basis over the lease term.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Variable lease payments are excluded from the ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. ROU assets also include any lease prepayments made and exclude lease incentives. Many of our lessee agreements include options to extend the lease, which we do not include in our minimum lease terms unless they are reasonably certain to be exercised. Rental expense for lease payments related to operating leases is recognized on a straight-line basis over the lease term.

*Lease Accounting – Arrangements with Maxeon as a lessor*

We account for a lease arrangement in which we act as the lessor as an operating lease as it does not meet the criteria for a sales-type lease or a direct financing lease. Initial direct costs incurred in negotiating and arranging an operating lease are deferred and recognized over the lease term on the same basis as the lease income. Lease income is recognized on a straight-line basis over the lease term. We exclude from our measurement of consideration in a contract all taxes assessed by governmental authorities on lease that are both (i) imposed on and concurrent with a specific lease revenue-producing transaction and (ii) collected from a lessee.

*Financial instruments - Credit Losses*

Accounting Standards Codification No. 326, *Financial Instruments – Credit Losses* (“ASC 326”) requires remeasurement and recognition of expected credit losses for financial assets held. The amendment applies to entities which hold financial assets and net investments in leases that are not accounted for at fair value through net income as well as loans, debt securities, accounts receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash.

We recognize an allowance for credit loss at the time a receivable is recorded based on our estimate of expected credit losses and adjust this estimate over the life of the receivable as needed. An account receivable is written off against the allowance for credit loss made after all collection effort has ceased. We evaluate the aggregation and risk characteristics of a receivable pool and develop loss rates that reflect historical collections, current forecasts of future economic conditions over the time horizon we are exposed to credit risk, and payment terms or conditions that may materially affect future forecasts.

As of December 31, 2023, we reported \$62.7 million of accounts receivable, net of credit loss allowance of \$0.6 million. Based on the aging analysis as of December 31, 2023, 98.0% of our gross trade account receivable was outstanding less than 60 days. Refer to Note 6. *Balance Sheet Components* for more details on changes in allowance for credit losses. We have not seen significant changes to the recovery rate of our account receivable as a result of the macro-economic trends.

*Fair Value of Financial Instruments*

The fair value of a financial instrument is the price 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. The carrying values of cash and cash equivalents, accounts receivable, and accounts payable approximate their respective fair values due to their short-term maturities. Equity investments without readily determinable fair value are measured at cost less impairment and are adjusted for observable price changes in orderly transactions for an identical or similar investment of the same issuer. Derivative financial instruments are carried at fair value based on quoted market prices for financial instruments with similar characteristics. The effective portion of derivative financial instruments is excluded from earnings and reported as a component of “Accumulated other comprehensive loss” in the Consolidated Balance Sheets. The ineffective portion of derivatives financial instruments are included in “Other, net” in the Consolidated Statements of Operations.

*Comprehensive Loss*

Comprehensive loss is defined as the change in equity during a period from non-owner sources. Our comprehensive loss for the period presented is comprised of (i) our net loss; (ii) foreign currency translation adjustment of our foreign subsidiaries whose assets and liabilities are translated from their respective functional currencies at exchange rates in effect at the balance sheet dates, and revenues and expenses are translated at average exchange rates prevailing during the applicable period; (iii) changes in fair value for derivatives designated as hedging instruments (see Note 12. *Derivative Financial Instruments*); and (iv) net (loss) gain on long-term pension liability adjustment.



### *Cash Equivalents*

Highly liquid investments with original or remaining maturities of ninety days or less at the date of purchase are considered cash equivalents.

### *Short-Term and Long-Term Investments*

We may invest in money market funds and debt securities. In general, investments with original maturities of greater than ninety days and remaining maturities of one year or less are classified as short-term investments, and investments with maturities of more than one year are classified as long-term investments. Investments with maturities beyond one year may be classified as short-term based on their highly liquid nature and because such investments represent the investment of cash that is available for current operations. Despite the long-term maturities, we have the ability and intent, if necessary, to liquidate any of these investments in order to meet our working capital needs within our normal operating cycles. Such debt securities might be restricted due to contractual arrangement, from time to time. See Note 7. *Fair Value Measurements* for additional information.

### *Cash in Restricted Accounts*

Cash and cash equivalents in restricted accounts comprise primarily of monies held in escrow in connection with the Company's module sales to a customer and accounts restricted for use in connection with our leases.

### *Inventories*

Inventories are accounted for at approximate costs determined on a first-in-first-out basis and are valued at the lower of cost and net realizable value. We evaluate the realizability of our inventories based on assumptions about expected demand and market conditions. Our assumption of expected demand is developed based on our analysis of bookings, sales backlog, sales pipeline, market forecast, and competitive intelligence. Our assumption of expected demand is compared to available inventory, production capacity, future polysilicon purchase commitments, available third-party inventory, and growth plans. Our factory production plans, which drive materials requirement planning, are established based on our assumptions of expected demand. We respond to reductions in expected demand by temporarily reducing manufacturing output and adjusting expected valuation assumptions as necessary. In addition, expected demand by geography has changed historically due to changes in the availability and size of government mandates and economic incentives.

We evaluate whether losses should be accrued on inventory purchase commitments that may arise from firm, non-cancellable, and unhedged commitments for the future purchase of inventory items. Such losses are measured in the same way as inventory losses, and are recognized unless determined to be recoverable through firm sales contracts or when there are other circumstances that reasonably assure continuing sales without price decline.

We evaluate the terms of our inventory purchase agreements with suppliers, including joint ventures, for the procurement of polysilicon, ingots, wafers, and solar cells and establish accruals for estimated losses on adverse purchase commitments as necessary, such as lower of cost or net realizable value adjustments, forfeiture of advanced deposits and liquidated damages. Obligations related to non-cancellable purchase orders for inventories match current and forecasted sales orders that will consume these ordered materials, and actual consumption of these ordered materials is compared to expected demand regularly. Other market conditions that could affect the realizable value of our inventories and are periodically evaluated by us include historical inventory turnover ratio, anticipated sales price, new product development schedules, the effect new products might have on the sale of existing products, product obsolescence, customer concentrations, and product merchantability, among other factors. If, based on assumptions about expected demand and market conditions, we determine that the cost of inventories exceeds its net realizable value or inventory is excess or obsolete, or we enter into arrangements with third parties for the sale of raw materials that do not allow us to recover our current contractually committed price for such raw materials, we record a write-down or accrual equal to the difference between the cost of inventories and the estimated net realizable value, which may be material. If actual market conditions are more favorable, we may have higher gross margins when products that have been previously written down are sold in the normal course of business (see Note 6. *Balance Sheet Components*).

### *Property, Plant and Equipment*

Property, plant and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as presented below. Leasehold improvements are amortized over the shorter of the estimated useful lives of the assets and the remaining term of the lease. Repairs and maintenance costs are expensed as incurred.

	<b>Useful Lives in Years</b>
Buildings	20
Leasehold improvements	1 to 20
Manufacturing equipment	7 to 10
Computer equipment	3 to 7
Solar power systems	30
Furniture and fixtures	3 to 5

### *Business combination*

Business acquisitions are accounted for in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 805 “Business Combinations”. FASB ASC 805 requires the reporting entity to identify the acquirer, determine the acquisition date, recognize and measure the identifiable tangible and intangible assets acquired, the liabilities assumed and any noncontrolling interest in the acquired entity, and recognize and measure goodwill or a gain from the purchase. The acquiree’s results are included in the Company’s consolidated financial statements from the date of acquisition. Assets acquired and liabilities assumed are recorded at their fair values and the excess of the purchase price over the amounts assigned is recorded as goodwill. Adjustments to fair value assessments are recorded to goodwill over the measurement period (not longer than twelve months). The acquisition method also requires that acquisition-related transaction costs be charged to expense. The Company completed the acquisition of certain assets of SolarCA LLC (SolarCA) on October 6, 2023 (see Note 18. *Acquisition of Certain Assets*).

### *Intangible Assets other than goodwill*

Intangible assets are stated at cost less accumulated amortization and impairment. Definite-lived intangible assets are amortized using the straight-line method over the estimated useful lives of the intangible assets as follows:

	<b>Useful Lives in Years</b>
Patents	12
Trademarks	2 to 7
Customers relationship	4
Purchased technology	1 to 7

### *Goodwill*

Goodwill represents the excess of the purchase price over the fair value of the identifiable assets and liabilities acquired under a business combination. Goodwill is not subjected to amortization but are tested for impairment annually or whenever events or changes in circumstances indicate that the asset might be impaired. Annual goodwill impairment testing is performed in the fiscal fourth quarter or more frequently if events or changes in circumstances indicate that it may be impaired. The Company’s test of goodwill impairment starts with a qualitative assessment to determine whether it is necessary to perform a quantitative goodwill impairment test. If qualitative factors indicate that the fair value of the reporting unit is more likely than not less than its carrying amount, then a quantitative goodwill impairment test is performed. For the quantitative analysis, the Company compares the fair value of its reporting unit to its carrying value. If the estimated fair value exceeds its carrying amount, goodwill is considered

not to be impaired and no additional steps are necessary. However, if the fair value of the reporting unit is less than its carrying amount, a goodwill impairment is recorded equal to the difference between the carrying amount of the reporting unit and its fair value, not to exceed the carrying amount of goodwill.

#### *Impairment of Long-Lived Assets*

We evaluate our long-lived assets, including property, plant and equipment and definite-lived intangible assets, for impairment whenever events or changes in circumstances arise. This evaluation includes consideration of technology obsolescence that may indicate that the carrying value of such assets may not be recoverable. The assessments require significant judgment in determining whether such events or changes have occurred. Factors considered important that could result in an impairment review include significant changes in the manner of use of a long-lived asset or in its physical condition, a significant adverse change in the business climate or economic trends that could affect the value of a long-lived asset, significant under-performance relative to expected historical or projected future operating results, or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

For purposes of the impairment evaluation, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. We exercise judgment in assessing such groupings and levels. We then compare the estimated future undiscounted net cash flows expected to be generated by the asset group (including the eventual disposition of the asset group at residual value) to the asset group's carrying value to determine if the asset group is recoverable. If our estimate of future undiscounted net cash flows is insufficient to recover the carrying value of the asset group, we record an impairment loss in the amount by which the carrying value of the asset group exceeds the fair value. Fair value is generally measured based on (i) internally developed discounted cash flows for the asset group, (ii) third-party valuations, and (iii) quoted market prices, if available. If the fair value of an asset group is determined to be less than its carrying value, an impairment in the amount of the difference is recorded in the period that the impairment indicator occurs. See Note 6.

*Balance Sheet Components* for additional information.

#### *Product Warranties*

We generally provide a 25-year standard warranty for the solar panels that we manufacture for defects in materials and workmanship and for greater than promised declines in power performance. Effective from January 1, 2022, this has been extended to a 40-year standard warranty for certain Maxeon line modules in certain countries. The warranty provides that we will repair or replace any defective solar panels during the warranty period. In addition, we pass through to customers long-term warranties from the original equipment manufacturers of certain system components, such as inverters. Warranties of 25 years from solar panel suppliers are standard in the solar industry, while certain system components carry warranty periods ranging from 5 to 20 years.

The warranty excludes system output shortfalls attributable to force majeure events, customer curtailment, irregular weather, and other similar factors. In the event that the system output falls below the warranted performance level during the applicable warranty period, and provided that the shortfall is not caused by a factor that is excluded from the performance warranty, the warranty provides that we will elect to either (a) repair; (b) replace; or (c) pay the customer a liquidated damage based on the computation stipulated in the warranty agreement.

We maintain reserves to cover the expected costs that could result from these warranties. Our expected costs are generally in the form of product replacement or repair. Warranty reserves are based on our best estimate of such costs and are recognized as a cost of revenue. We continuously monitor product returns for warranty failures and maintain a reserve for the related warranty expenses based on various factors including historical warranty claims, results of accelerated lab testing, field monitoring, vendor reliability estimates, and data on industry averages for similar products. Due to the potential for variability in these underlying factors, the difference between our estimated costs and our actual costs could be material to our consolidated financial statements. If actual product failure rates or the frequency or severity of reported claims differ from our estimates or if there are delays in our responsiveness to outages, we may be required to revise our estimated warranty liability (see Note 9. *Commitments and Contingencies*).

In fiscal year 2023, the Company recorded \$11.9 million in warranty benefit from change in estimate, of which \$4.0 million related to revision pursuant to the SunPower Settlement Agreement whereby SunPower and the Company agreed to share 50% of the obligation in relation to certain warranty claims and \$7.9 million related to decrease in product replacement costs for products that the Company provides warranty for based on the review of field performance data and historical claim rate. The impact on net loss is \$11.9 million and related reduction to basic and diluted net loss per share for fiscal year 2023 was \$0.26.

#### *Revenue Recognition*

We sell our solar panels and balance of system components primarily to dealers, project developers, system integrators and distributors, and recognize revenue at a point in time when control of such products transfers to these customers, which generally occurs upon shipment or delivery depending on the terms of the contracts with the customer. In determining the transaction price for revenue recognition, the Company evaluates whether the price is subject to refund or adjustment in determining the consideration to which the Company expects to be entitled. There are no rights of return; however, the Company may be required to pay consideration to the customer in certain instances of delayed delivery. We determine variable consideration, which consists primarily of liquidated damage, by estimating the most likely amount of consideration we expect to receive from the customer based on the forecast delivery plan. The Company then allocates the transaction price to each distinct performance obligation based on their relative standalone selling price, when applicable. Other than standard warranty obligations, there are no significant post-shipment obligations (including installation, training or customer acceptance clauses) with any of our customers that could have an impact on revenue recognition. As a practical expedient, the Company does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the period between customer payment and the transfer of goods or services is expected to be one year or less. In the case of the existence of a significant financing component, the amount of the consideration is adjusted to reflect what the cash selling price of the promised service would have been if payments had occurred as control of the service was transferred to the customer. The discount rate used in determining the significant financing component is the rate that would be reflected in a separate financing transaction between the Company and the customer at contract inception. Our revenue recognition policy is consistent across all geographic areas.

#### *Cost of Revenue*

Cost of revenue includes actual cost of materials, labor and manufacturing overheads incurred for revenue-producing units shipped and includes associated warranty costs and other costs.

#### *Shipping and Handling Costs*

We account for shipping and handling activities related to contracts with customers as costs to fulfill our promise to transfer goods and, accordingly, record such costs in cost of revenue.

#### *Taxes Collected from Customers and Remitted to Governmental Authorities*

We exclude from our measurement of transaction prices all taxes assessed by governmental authorities that are both (i) imposed on and concurrent with a specific revenue-producing transaction and (ii) collected from customers. Accordingly, such tax amounts are not included as a component of revenue or cost of revenue.

### *Stock-Based Compensation*

The stock-based compensation expense for the restricted stock units (“RSUs”) is based on the measurement date fair value of the award and is recognized only for those awards expected to meet the service vesting conditions on a straight-line basis over the requisite service period of the award. The current price of shares underlying the RSUs are determined using the average closing price of the Company’s ordinary shares for the three calendar months immediately preceding the month in which the grant was awarded. For performance-based stock units (“PSUs”) grants with performance conditions, the expense is based on the measurement date fair value of the award and is recognized over the vesting term if the performance targets are considered probable of being achieved. For performance-based stock units (“PSUs”) grants with market and service conditions, the expense is based on the grant date fair value, only for those awards expected to meet the service vesting conditions on a straight-line basis over the requisite service period of the award, regardless of when, if ever, the market condition is satisfied. Stock-based compensation expense is determined at the aggregate grant level for service-based awards and at the individual vesting tranche level for awards with performance and/or market conditions. The forfeiture rate is estimated based on SunPower and the Company’s historical experience.

### *Advertising Costs*

Advertising costs are expensed as incurred. Advertising expense totaled approximately \$5.9 million, \$4.7 million and \$3.5 million in fiscal years 2023, 2022 and 2021, respectively.

### *Research and Development Expense*

Research and development expense consists primarily of salaries and related personnel costs, depreciation and the cost of solar cell and solar panel materials. Research and development expense is reported net of contributions under collaborative arrangements. Subsequent to the Spin-off, the Company entered into the Collaboration Agreement with SunPower to perform research and development work in SunPower’s Silicon Valley research and development labs for the development of future technology improvements and continue to improve our expected product differentiation, which has largely wound down in fiscal year 2022. Our research and development activities are undertaken by our team in Singapore, together with our Silicon Valley research and development lab established since fiscal year 2022. All research and development costs are expensed as incurred.

### *Government Grants*

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to it and the grant will be received. Government grants for the purpose of giving immediate financial support to the Company with no future related costs or obligation are recognized when received. Government grants with certain operating conditions are recorded as liability when received and will be recognized in earnings when the conditions are met.

### *Restructuring Charges*

The Company records charges associated with approved restructuring plans to reorganize our manufacturing network, to remove duplicative headcount and infrastructure associated with business acquisitions or to simplify business processes and accelerate innovation. Restructuring charges can include severance costs in connection with the termination of a specified number of employees, infrastructure charges to vacate facilities and consolidate operations, and contract cancellation costs. The Company records restructuring charges based on estimated employee terminations and site closure and consolidation plans. The Company accrues for severance and other employee separation costs under these actions when it was probable that benefits will be paid and the amount is reasonably estimable. The rates used in determining severance accruals are based on existing plans, historical experiences and negotiated settlements. The Company also accrue for costs to terminate a contract or costs that will continue to be incurred under the contract without benefit to the Company when the Company either terminates the contract or ceases using the rights conveyed by the contract.

### *Translation of Foreign Currency*

The Company and certain of its subsidiaries use their respective local currency as their functional currency. Accordingly, foreign currency assets and liabilities are translated using exchange rates in effect at the end of the period. Aggregate exchange gains and losses arising from the translation of foreign assets and liabilities are included in "Accumulated other comprehensive loss" in the Consolidated Balance Sheets. Foreign subsidiaries that use the U.S. dollar as their functional currency remeasure monetary assets and liabilities using exchange rates in effect at the end of the period. Exchange gains and losses arising from the remeasurement of monetary assets and liabilities are included in "Other, net" in the Consolidated Statements of Operations. Non-monetary assets and liabilities are carried at their historical values.

We include gains or losses from foreign currency transactions in "Other, net" in the Consolidated Statements of Operations with the other hedging activities described in Note 12. *Derivative Financial Instruments*.

### *Concentration of Credit Risk*

We are exposed to credit losses in the event of nonperformance by the counterparties to our financial and derivative instruments. Financial and derivative instruments that potentially subject us to concentrations of credit risk are primarily cash and cash equivalents, investments, accounts receivable, advances to suppliers, and foreign currency forward contracts. Our investment policy requires cash and cash equivalents and investments to be placed with high-quality financial institutions and to limit the amount of credit risk from any one issuer.

We perform ongoing credit evaluations of our customers' financial condition whenever deemed necessary. We maintain an allowance for credit losses based on the expected collectability of all accounts receivable, which takes into consideration an analysis of historical bad debts, specific customer creditworthiness and current economic trends. We believe that our concentration of credit risk is limited because of our large number of customers, credit quality of the customer base, small account balances for most of these customers, and customer geographic diversification. During fiscal years 2023, 2022 and 2021, we recorded revenues of \$206.0 million, \$283.3 million and \$225.9 million, or 18.3%, 26.7% and 28.8% of total revenue, respectively, representing the sale of solar modules to SunPower. The pricing term is based on the applicable supply agreement with SunPower in force for the respective period. Except for revenue transactions with SunPower, for fiscal years 2023, we had one customer, that accounted for at least 10% of revenue. No customer accounted for at least 10% of revenue except for SunPower for fiscal year 2022. As of December 31, 2023, SunPower accounted for 0.9% amount of our accounts receivables while it accounted for 9.6% of our accounts receivable as of January 1, 2023. Four and two customers individually accounted for 10% or more of accounts receivable as of December 31, 2023 and January 1, 2023, respectively.

### *Income Taxes*

The Company recognizes deferred tax assets and liabilities for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts using enacted tax rates in effect for the year the differences are expected to reverse. The Company records a valuation allowance to reduce the deferred tax assets to the amount that is more likely than not to be realized which depends on the ability to generate sufficient taxable income in the related jurisdiction in the future. In evaluating our ability to recover our deferred tax assets, we consider the available evidence, including the accumulated losses, timing and amount of reversal of taxable temporary differences, and our forecast future taxable income.

The Company records accruals for uncertain tax positions when the Company believes that it is not more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The Company makes adjustments to these accruals when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. The provision for income taxes include the effects of adjustments for uncertain tax positions, as well as any related interest and penalties.

As applicable, interest and penalties on tax contingencies are included in "Provision for income taxes" in the Consolidated Statements of Operations and such amounts were not material for the period presented. In addition,

foreign exchange gains (losses) may result from estimated tax liabilities, which are expected to be settled in currencies other than the U.S. dollar.

#### *Investments in Equity Interests*

Investments in entities in which we can exercise significant influence, but do not own a majority equity interest or otherwise control, are accounted for under the equity method. We record our share of the results of these entities as “Equity in losses of unconsolidated investees” on the Consolidated Statements of Operations, to the extent of our investment in these entities where there is no guaranteed obligation or committed financial support rendered. We monitor our investments for other-than-temporary impairment by considering factors such as current economic and market conditions and the operating performance of the entities and record reductions in carrying values when necessary. The fair value of privately-held investments is estimated using the best available information as of the valuation date, including current earnings trends, discounted projected future cash flows, and other company specific information, including recent financing rounds (see Note 6. *Balance Sheet Components* and Note 7. *Fair Value Measurements*).

#### *Variable Interest Entities (“VIE”)*

We regularly evaluate our relationships and involvement with unconsolidated VIEs and our other equity and cost method investments, to determine whether we have a controlling financial interest in them or have become the primary beneficiary, thereby requiring us to consolidate their financial results into our financial statements. If we determine that we are the primary beneficiary, we will consolidate the VIE. The determination of whether we are the primary beneficiary is based upon whether we have the power to direct the activities that most directly impact the economic performance of the VIE and whether we absorb any losses or receive any benefits that would be potentially significant to the VIE.

#### *Noncontrolling Interests*

Noncontrolling interests represents the portion of net assets in consolidated subsidiaries that are not attributable, directly or indirectly, to us and are presented as a separate component within Equity in the Consolidated Balance Sheets. Net losses (income) attributable to the non-controlling interests are recorded within “Net losses (income) attributable to noncontrolling interests” in the Consolidated Statements of Operations.

#### *Reclassifications*

Certain prior period amounts have been reclassified to conform to the current period's presentation. These reclassifications occurred within “Interest expense” and “Interest income” in the Consolidated Statements of Operations. The reclassifications are immaterial and arose due to reclassification of interest income which was presented as a net balance within “Interest expense, net” in prior year. The total balance for “Other expense, net” remains unchanged. In addition, the Company has reclassified “Advances to supplier” within “Prepaid expense and other current assets” with the expiration of the long-term supply agreements for polysilicon in fiscal year 2022 and such balances are no longer material.

#### *Recently Issued Accounting Pronouncements Not Yet Effective*

In October 2023, the FASB issued ASU 2023-06, Disclosure Improvements, which amends U.S. GAAP to reflect updates and simplifications to certain disclosure requirements referred to FASB by the SEC. The targeted amendments incorporate 14 of the 27 disclosures referred by the SEC into Codification. Some of the amendments represent clarifications to, or technical corrections of, the current requirements. ASU 2023-06 could move certain disclosures from the nonfinancial portions of SEC filings to the financial statement notes. Each amendment in ASU 2023-06 will only become effective if the SEC removes the related disclosure or presentation requirement from its existing regulation by June 30, 2027. No amendments were effective at December 31, 2023. The Company is still currently evaluating the impact of the adoption of the new standard but does not expect a significant impact on the consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07 *Improvements to Reportable Segment Disclosures*, which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. The purpose of the amendments is to enable investors to better understand an entity's overall performance and assess potential future cash flows. This ASU is effective for public companies with annual periods beginning after December 15, 2023, and interim periods within annual period beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the effects adoption of this guidance will have on the consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*, which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. This ASU is effective for public companies with annual periods beginning after December 15, 2024, with early adoption permitted. The Company is still currently evaluating the impact of the adoption of the new standard but does not expect a significant impact on the consolidated financial statements.

### **NOTE 3. TRANSACTIONS WITH SUNPOWER AND TOTALENERGIES**

SunPower is a majority-owned subsidiary of TotalEnergies Solar and TotalEnergies Gaz, each a subsidiary of TotalEnergies SE. Prior to the Spin-off, we were partially owned by TotalEnergies SE through its ownership of SunPower.

In connection with the Spin-off, following the TZE Investment whereby TZE SG and an affiliate of TZE, purchased from Maxeon, for \$298.0 million, 8,915,692 of Maxeon shares. TZE Investment, TotalEnergies Solar INTL SAS ("TotalEnergies Solar"), TotalEnergies Gaz Electricité Holdings France SAS, ("TotalEnergies Gaz", with TotalEnergies Solar, each an affiliate of TotalEnergies SE and collectively "TotalEnergies"), as holders of record of SunPower's common stock, were issued Maxeon's shares by way of pro rata distribution.

In April 2021, the Company entered into the 2021 TZE Private Placement, with an affiliate of TZE, As of December 31, 2023, TotalEnergies's and TZE SG's ownership of the Maxeon outstanding shares was approximately 14.8% and 22.8%, respectively.

On May 19, 2023, the Company completed the Company Offering and the TotalEnergies Offering each at a price per share of \$28.00.

In addition, pursuant to a share purchase agreement, dated May 16, 2023, Maxeon completed the "2023 TZE Private Placement with TZE SG.

#### *Transactions with SunPower*

##### *Sales to SunPower*

During fiscal years 2023, 2022 and 2021, we had sales of \$206.0 million, \$283.3 million and \$225.9 million to SunPower representing the sale of solar modules to SunPower. The pricing term is based on the supply agreement with SunPower. Sales to SunPower were recognized in line with our revenue recognition policy for sales to third-party customers, as discussed in Note 2. *Summary of Significant Accounting Policies*. As of December 31, 2023 and January 1, 2023, accounts receivable due from SunPower related to these sales amounted to \$0.6 million and \$5.4 million, respectively.

##### *Agreements with SunPower*

In connection with the Spin-off, we also entered into certain ancillary agreements that govern the relationships between SunPower and us following the Distribution, including: a tax matters agreement, employee matters



agreement, transition services agreement, back to back agreement, brand framework agreement, cross license agreement, collaboration agreement, and supply agreement (collectively, the “Ancillary Agreements”).

In addition, under the Separation and Distribution Agreement with SunPower, SunPower has agreed to indemnify us for certain litigation and claims to which we are a party. The liabilities related to these claims and an offsetting receivable from SunPower are reflected on our Consolidated Balance Sheets. See Note 6. *Balance Sheet Components* and Note 9. *Commitments and Contingencies - Indemnifications*.

In February 2021, we entered into an amendment to the August 2020 agreement with SunPower (the “SunPower Supply Agreement”, and such amendment, (the “Amendment to the SunPower Supply Agreement”) that updated and amended 2021 volumes and pricing. The Amendment to the SunPower Supply Agreement also brought forward the exclusivity term for the Direct Market Segment (as defined in the SunPower Supply Agreement) from August 26, 2021 to June 30, 2021 and provided for optional sales by Maxeon and purchases by SunPower of additional product types, including Performance line panels. The purchase price for each product, subject to certain adjustments, have been fixed for 2020 and 2021 based on the power output (in watts) of the relevant product. For subsequent periods, the purchase price will be set based on a formula and fixed for the covered period, subject to the same adjustments.

On February 14, 2022, we entered into a supply agreement with SunPower (the “2022/2023 Supply Agreement”) which terminates and replaces the Sunpower Supply Agreement, pursuant to which the Company is supplying SunPower with modules based on our interdigitated back contact technology (“IBC Modules”) for use in residential installations in the Domestic Territory (as defined under “Item 3.D. Risk Factors.”). The 2022/2023 Supply Agreement provided for a minimum product volume and fixed pricing for 2022 and 2023 to reflect the prevailing market trends at the point of the 2022/2023 Supply Agreement, based on the power output (in watts) of the IBC Module. The 2022/2023 Supply Agreement, was amended on January 5, 2023 to increase minimum product volumes, update the pricing of IBC Modules for 2023 and extend exclusivity provisions that prohibit us from selling Maxeon 6 IBC Modules to anyone other than SunPower for use in the Domestic Territory until December 31, 2023. The pricing of our modules sold to SunPower was fixed for 2022 and 2023, based on the power output (in watts) of the IBC Module, but the pricing was updated to reflect current market trends. Additionally, either party could terminate undelivered volumes of Maxeon 6 IBC Modules during 2023 if the parties failed to reach an agreement adjusting pricing in the event of fluctuations in cost of polysilicon above a specified threshold. This was further amended on November 13, 2023, pursuant to the amendment, settlement and release agreement (the “SunPower Settlement Agreement”) entered into between the Company and SunPower, pursuant to which, amongst other matters, the parties agreed to certain amended product orders and deliveries under the 2022/2023 Supply Agreement, which product deliveries will take place in accordance with the volumes and schedule set out in the SunPower Settlement Agreement on a take-or-pay basis, at which time upon the performance of all related obligations thereunder, the 2022/2023 Supply Agreement shall also terminate. The Company will also be released (i) from the obligation to supply certain of its products exclusively to SunPower starting March 31, 2024, and (ii) from the non-circumvention obligations under the 2022/2023 Supply Agreement starting January 1, 2024. The 2022/2023 Supply Agreement continues until December 31, 2023, subject to customary early termination provisions triggered by a breach of the other party (with the right to cure) and insolvency events affecting the other party.

The Company and SunPower also previously entered into the 2024/2025 Supply Agreement for supply of certain volumes of Maxeon 6 IBC Modules to SunPower for use in residential installations in the Domestic Territory. However, the 2024/2025 Supply Agreement was terminated pursuant to the terms of SunPower Settlement Agreement

Apart from the termination of the 2022/2023 Supply Agreement and 2024/2025 Supply Agreement in accordance with the terms of the SunPower Settlement Agreement, we have agreed with SunPower on our obligation related to certain warranty claim. On top of this, we have been released (i) from the obligation to supply certain of its products exclusively to SunPower starting March 31, 2024, and (ii) from the non-circumvention obligations under the 2022/2023 Supply Agreement starting January 1, 2024. The SunPower Settlement Agreement also contemplated the issuance of warrants to purchase shares of SunPower’s common stock on January 1, 2024, which warrants will be exercisable in the period beginning 135 days from the warrant issuance date, through 2025, and the mutual release of claims arising from the SunPower Supply Agreements (each as defined under “Note 3. Transactions with SunPower and TotalEnergies.”), subject to the terms and conditions set forth in the SunPower

Settlement Agreement. Maxeon's delivery obligations under the SunPower Settlement Agreement have been satisfied.

The below table summarizes our transactions with SunPower, in relation to these agreements:

(In thousands)	Fiscal Year Ended		
	December 31, 2023	January 1, 2023	January 2, 2022
Charges from product collaboration agreement	\$ 1,861	\$ 17,035	\$ 32,887
Net (credit) charges from transition services agreement	(78)	(3,019)	5,217

We had the following balances related to transactions with SunPower as of December 31, 2023 and January 1, 2023:

(In thousands)	As of	
	December 31, 2023	January 1, 2023
Accounts receivable	\$ 584	\$ 5,403
Other receivables from SunPower (Note 6)	3,448	14,703
Other receivables, non-current	6,220	1,458
Accounts payable	1,798	1,910
Accrued liabilities (Note 6)	2,198	7,769

#### Transactions with TotalEnergies

The following related party balances and amounts are associated with transactions entered into with TotalEnergies and its affiliates:

(In thousands)	As of	
	December 31, 2023	January 1, 2023
Accounts receivable	\$ 13,390	\$ 10,732
Other receivables, current	794	—
Accounts payable	232	8
Contract liabilities, current portion	218	58,852
Contract liabilities, net of current portion	—	4,319
Refund liabilities (Note 6)	18,229	22,146

(In thousands)	Fiscal Year Ended		
	December 31, 2023	January 1, 2023	January 2, 2022
Revenue	\$ 99,694	\$ 76,216	\$ 14,733

#### Supply Agreements

In November 2016, SunPower and TotalEnergies entered into a 4-year, up to 200 megawatts ("MW") supply agreement to support the solarization of certain TotalEnergies facilities (the "Solarization Agreement"). The agreement covers the supply of 150 MW of Maxeon 2 panels with an option to purchase up to another 50 MW of Performance line solar panels. In March 2017, SunPower received a prepayment totaling \$88.5 million. The prepayment is secured by certain of Maxeon's assets located in Mexico. The deliveries commenced since the second quarter of fiscal year 2017 with assignment and assumption agreement entered in August 2020 to assign all rights and obligation to Maxeon. In February 2021, TotalEnergies and the Company made certain amendments to extend the period of the agreement, product list, pricing, and terms for the repayment of remaining unused prepayment and the release of the assets pledge (the "Amendment to the Solarization Agreement").

In March 2023, as a result of the Amendment to the Solarization Agreement, the parties have concluded on the total refund liability as \$24.3 million, to be repaid in 12 equal installments from the first quarter of 2023 until the fourth quarter of 2025. The Company has paid three installments fiscal year 2023. As of December 31, 2023, the carrying amount of the assets pledged is \$123.4 million.

As of December 31, 2023, \$10.1 million and \$8.1 million to be repaid to TotalEnergies is recognized in "Accrued liabilities" and "Other long-term liabilities" on our Consolidated Balance Sheets, respectively, in connection to the aforementioned supply agreement. As of January 1, 2023, \$7.4 million and \$14.8 million expected to be repaid to TotalEnergies is recognized in "Accrued liabilities" and "Other long-term liabilities" on our Consolidated Balance Sheets, respectively. As of December 31, 2023 and January 1, 2023, we had nil and \$2.2 million, respectively, of "Contract liabilities, net of current portion" on our Consolidated Balance Sheets related to the aforementioned supply agreement.

In November 2021, the Company executed an order request from Danish Fields Solar LLC, a wholly-owned subsidiary of TotalEnergies SE, for the sale of Performance line modules that is governed by a framework agreement entered into between the Company and TotalEnergies Global Procurement on October 27, 2021. After granting security interests in certain assets located in Mexico, the Company received total prepayment of \$57.1 million. In September 2023, the Company and Danish Fields Solar LLC entered into an Abatement and Amendment Agreement (the "Amendment and Abatement Agreement") to amend certain terms to the order request, including the delivery schedule, utilization of the prepayment and abatement conditions for the liquidated damage claim by Danish Fields Solar LLC for the delay from the original schedule. The delivery of the modules was completed in the fourth quarter of fiscal year 2023, after the guaranteed delivery schedule pursuant to the Abatement and Amendment Agreement. Accordingly, the Company is subjected to liquidated damage for such delay. The Company has assessed that the contract includes a significant financing component. Accordingly, the carrying amount for such prepayment is adjusted for the discount rate at the contract inception. As of December 31, 2023 and January 1, 2023, after adjusting for the significant financing component, we have nil and \$58.8 million, respectively, of such prepayment in "Contract liabilities, current portion" on our Consolidated Balance Sheets related to the aforementioned supply agreement. The interest expense on significant financing component of \$2.1 million and \$2.4 million, respectively, for fiscal year 2023 and 2022, has been recognized in "Interest expense" in the Consolidated Statements of Operation. As of December 31, 2023, the carrying amount of the assets pledged is \$34.4 million and the Company is in the midst of requesting for the release of the assets pledged in Mexico.

#### *Solar Power Purchase Agreement*

In February 2022, the Company, through its subsidiary SunPower Malaysia Manufacturing Sdn Bhd ("SPMY") entered into a long-term solar power purchase agreement (the "PPA") with TotalEnergies Renewables Malaysia Sdn Bhd ("TotalEnergies Malaysia"), Under the PPA, TotalEnergies Malaysia will install and maintain a solar PV system at SPMY's rooftop for 20 years at a fixed price per kWh with a guaranteed annual energy output ranging from 10.8 GW to 11.9 GW to the SPMY. SPMY has the option to purchase the PV system at any time for a fixed price, which goes down to \$0.00 after 20 years. The PV system will be constructed and installed using the Company's Performance line modules. As of December 31, 2023, the Company and TotalEnergies is in the midst of renegotiating a new terms and conditions to replace this PPA as the underlying conditions have expired.

#### **NOTE 4. TCL ZHONGHUAN RENEWABLE ENERGY TECHNOLOGY CO. LTD. ("TZE")**

##### *Agreements with TZE in Connection with the HSPV*

In 2016 and 2017, SunPower entered into two joint ventures with TZE and other former partners, Huansheng Photovoltaic (Jiangsu) Co., Ltd ("HSPV"), which is based in China and focused on sales of Performance line products within China, and SunPower Systems International Limited ("SPSI"), which is based in Hong Kong and focused on international sales. In September 2021, TZE made a capital injection of RMB270.0 million (equivalent to \$41.6 million) to HSPV to facilitate the capacity expansion of HSPV. The Company did not make a proportionate injection based on its equity interest in HSPV which resulted in a dilution of the Company's equity ownership from 20.0% to 16.3%. Consequently, we recorded a gain of \$3.0 million related to the deemed disposal of the equity ownership, including \$0.03 million relating to the recycling of other comprehensive income to profit or loss. The

gain is presented within “Other, net” in our Consolidated Statements of Operations. As of December 31, 2023, we had an equity ownership of 16.3% in the joint venture and account for the joint venture as an equity method investment. Please refer to Note 10 *Equity Investments* for transactions with the joint venture.

In February 2021, we and SPSI entered into an offshore master supply agreement with HSPV and Huansheng New Energy (Jiangsu) Co., Ltd. (“HSNE”), a joint venture of HSPV, (the “Offshore Master Supply Agreement”) pursuant to which we will purchase and HSPV and HSNE will supply us with Performance line products of which, the pricing subject to segmented pricing principles and most favored nation pricing favorable to us, with the specific price and volume to be determined in a quarterly volume commitment letter subject to approvals from our Board.

In February 2021, we and SPSI also entered into an amended and restated business activities framework agreement with HSPV, HSNE, and TZE (the “Amended and Restated Business Activities Framework Agreement”), which maintains our rights, but not the obligation, to take up to 33% of HSPV’s capacity for sale directly into global DG markets outside of China and power plant markets in the United States and Mexico regions, while also allowing HSPV and HSNE to sell directly into global power plant markets outside of China under their own brand if approved on a case-by-case basis by us or SPSI depending on which entity shares the market with HSPV or HSNE, subject to a royalty payment for our license. In connection with these agreements, we also entered into intellectual property license agreements with HSPV and HSNE.

In November 2021, we and SPSI entered into an amendment to the Amended and Restated Business Activities Framework Agreement (“BAFA Amendment”) and an amendment to the Offshore Master Supply Agreement (the “MSA Amendment”). The BAFA Amendment and the MSA Amendment are aimed at providing more predictability to transfer pricing applicable to Performance line modules.

Under the MSA Amendment, a pricing mechanism has been agreed to with HSPV and HSNE based on prices set forth in a specified index for the month of scheduled delivery of the relevant products. The parties further agreed to review the pricing mechanism the relevant products at specified intervals and augment such pricing mechanism upon mutual agreement.

The BAFA Amendment does not change the Company’s right to purchase up to 33% of HSPV’s and HSNE’s annual production capacity for the sale of Performance line modules directly into global distributed generation (“DG”) markets outside of China and utility-scale markets in the United States and Mexico regions, and SPSI’s right to take up to 33% of HSPV’s and HSNE’s annual production capacity for the sale of Performance line modules into global utility-scale markets with the exception of China, the United States and Mexico.

In October 2022, we entered into a temporary agreement with Huansheng New Energy (Tianjin) Co., Ltd. (“HSTJ”) (the “Temporary HSTJ Agreement”), a company which HSPV and its local partner have invested in, which included HSTJ as a party to the existing arrangements under the BAFA Amendment and the MSA Amendment and enabled HSTJ to manufacture and sell Performance Line products. The Temporary HSTJ Agreement is valid for 6 months and may be extended for a further 3 months with the Company’s consent. In December 2023, we entered into an amendment to the Temporary HSTJ Agreement, extending the validity to March 31, 2024.

#### *Financing transactions with TZE*

Pursuant to a stock purchase agreement dated April 13, 2021 with TZE SG, a wholly owned subsidiary of TZE, the Company sold to TZE SG 1,870,000 ordinary shares at a price of \$18.00 per share in the 2021 TZE Private Placement.

On August 17, 2022, the Company completed the sale of \$207.0 million in aggregate principal amount of 7.50% first lien senior secured convertible notes due 2027 (the “2027 Notes”) to TZE SG, an existing shareholder of the Company, at a purchase price equivalent to 97% of the principal amount of the 2027 Notes. Please refer to Note 11 *Debt and Credit Sources* for the convertible notes.

On May 19, 2023, the Company completed the Company Offering, the TotalEnergies Offering, each at a price per share of \$28.00.

Pursuant to a share purchase agreement, dated May 16, 2023, Maxeon and TZE SG entered into the 2023 TZE Private Placement.

#### *Silicon Wafer Master Supply Agreement*

On November 16, 2021, we entered into a silicon wafer master supply agreement with TZE HK, a subsidiary of TZE for the purchase of P-Type G12 wafers which are intended to be incorporated into the Company's Performance line modules planned for manufacture in Malaysia and Mexico and sale into the United States. The Company expects TZE HK to be its primary wafer supplier for Performance line modules and deliveries commenced in 2022. Deposit arrangements, payment terms and pricing mechanisms will be agreed to with TZE HK for the Company to reserve specified volumes in advance. The master supply agreement also sets out a general framework and customary operational and legal terms which govern the purchases of silicon wafer from TZE by the Company and its subsidiaries, including engineering changes, supply chain management, inspection, representations and warranties and legal compliance. In March 2022, we entered into an addendum to the master supply agreement, pursuant to which TZE HK will supply the Company with wafers to meet the Company's volume requirements for calendar year 2023. In December 2023, we entered into an addendum to the master supply agreement for the Company's volume requirement for calendar year 2024 at specified pricing.

In connection with the supply agreement, we made a deposit of \$2.1 million as of January 1, 2023, to reserve specified volumes in advance for delivery up to fiscal year 2023, and is recorded in "Advances to suppliers, current portion" on the Consolidated Balance Sheets. The deposits in connection to the deliveries in calendar year 2024 is expected to be paid in fiscal year 2024.

The following related party balances and amounts summarizes transactions entered into with TZE and its affiliates, excluding transactions with HSPV:

<b>(In thousands)</b>	<b>As of</b>	
	<b>December 31, 2023</b>	<b>January 1, 2023</b>
Prepayment for purchases	\$ —	\$ 15,009
Convertible notes (Note 11)	207,000	207,000

<b>(In thousands)</b>	<b>Fiscal Year Ended</b>		
	<b>December 31, 2023</b>	<b>January 1, 2023</b>	<b>January 2, 2022</b>
Payments for purchases of silicon wafer	\$ 121,770	\$ 87,228	\$ 10,392
Contractual interest expense on 2027 Notes	15,525	5,822	—

#### **NOTE 5. REVENUE FROM CONTRACTS WITH CUSTOMERS**

During fiscal years 2023, 2022 and 2021, we recognized revenue for sales of modules and components from contracts with customers of \$1,123.1 million, \$1,060.1 million and \$783.3 million, respectively. We recognize revenue for sales of modules and components at the point that control transfers to the customer, which typically occurs upon shipment or delivery to the customer, depending on the terms of the contract. Payment terms are typically between 30 and 45 days.

#### *Contract Assets and Liabilities*

As of December 31, 2023 and January 1, 2023, contract assets is \$0.6 million for both periods, and has been presented within "Prepaid expenses and other current assets". Contract assets consist of unbilled receivables which

represent revenue that has been recognized based on the satisfaction of performance obligations in advance of billing the customer based on the contractual billing terms. During fiscal year 2023, the movement was insignificant whereas for fiscal year 2022, the decrease in contract assets of \$1.0 million, was primarily due to billings of previously unbilled receivables.

Contract liabilities consist of deferred revenue and customer advances, which represent consideration received from a customer based on the contractual payment terms prior to transferring control of goods or services to the customer under the terms of a sales contract. The Company has pledged certain equipment assets and inventory to serve as collateral for certain advances from customers. As of December 31, 2023 and January 1, 2023, the carrying amount of such assets pledged is \$34.4 million and \$93.1 million, respectively. During fiscal years 2023, the decrease in contract liabilities of \$53.2 million was primarily due to utilization of contract liabilities previously recorded due to the completion of performance obligations, partially offset by additional customer advances. During fiscal year 2022, increase in contract liabilities of \$197.9 million was primarily due to additional customer advances, partially offset by utilization of contract liabilities previously recorded due to the completion of performance obligations. During fiscal years 2023 and 2022, we recognized revenue of \$123.3 million and \$14.9 million that was included in contract liabilities as of January 1, 2023 and January 2, 2022, respectively. Except for a contract with TotalEnergies which has been completed during fiscal year 2023 (refer to Note 3. *Transactions with SunPower and TotalEnergies*), there is no significant financing component for the contract assets and contract liabilities.

#### NOTE 6. BALANCE SHEET COMPONENTS

##### *Accounts Receivable, Net*

(In thousands)	As of	
	December 31, 2023	January 1, 2023
Accounts receivable, gross <sup>(1)</sup>	\$ 63,517	\$ 55,218
Less: allowance for credit losses	(566)	(807)
Less: allowance for sales returns	(264)	(110)
Accounts receivable, net	\$ 62,687	\$ 54,301

<sup>(1)</sup> The Company maintains factoring arrangements with two separate third-party factor agencies related to our accounts receivable from customers in Europe and the United States. As a result of these factoring arrangements, title of certain accounts receivable balances was transferred to third-party vendors, and both arrangements were accounted for as a sale of financial assets given effective control over these financial assets has been surrendered. As a result, these financial assets have been excluded from our Consolidated Balance Sheets. The Company maintains the role as a collection agent for the factor agencies and as of December 31, 2023 and January 1, 2023, the cash held in escrow for the collection of such funds that has not been collected by the factor agencies is \$0.1 million and \$0.5 million, respectively.

In connection with the factoring arrangements, we sold accounts receivable invoices amounting to \$498.4 million and \$577.9 million in fiscal years 2023 and 2022, respectively. As of December 31, 2023 and January 1, 2023, total uncollected accounts receivable from end customers under both arrangements were \$49.4 million and \$63.6 million, respectively.

(In thousands)	Balance at Beginning of Period	Charges to Expense	Deductions	Balance at End of Period
<b>Allowance for credit losses</b>				
Year ended December 31, 2023	\$ 807	\$ (170)	\$ (71)	\$ 566
Year ended January 1, 2023	940	(13)	(120)	807
<b>Allowance for sales returns</b>				
Year ended December 31, 2023	\$ 110	\$ 154	\$ —	\$ 264
Year ended January 1, 2023	225	(115)	—	110

*Inventories*

(In thousands)	As of	
	December 31, 2023	January 1, 2023
Raw materials	\$ 37,063	\$ 83,350
Work-in-process	80,219	76,718
Finished goods	191,666	143,162
Inventories	<u>\$ 308,948</u>	<u>\$ 303,230</u>

As of December 31, 2023 and January 1, 2023, the Company had inventory reserves arising from excess and obsolescence, quality and unfavorable pricing against cost. The Company had reserves to reflect the inventories at lower of cost and net realizable value of \$30.5 million and \$21.3 million, respectively.

*Prepaid Expenses and Other Current Assets*

(In thousands)	As of	
	December 31, 2023	January 1, 2023
VAT receivables, current portion	\$ 10,218	\$ 7,320
Tax receivables	1,580	3,819
Receivables from tolling partners	—	14,923
Other receivables from SunPower (Note 3)	3,448	14,703
Other receivables	14,278	19,394
Deferred issuance cost	1,528	1,652
Restricted cash	5,242	37,974
Prepaid expenses	18,055	26,366
Derivative financial instruments (Note 12)	313	703
Asset held for sale <sup>(1)</sup>	466	1,490
Other prepaid expenses and other current assets	684	764
Prepaid expenses and other current assets	<u>\$ 55,812</u>	<u>\$ 129,108</u>

<sup>(1)</sup> Asset held for sale represents fixed assets that have satisfied the held for sale criteria under ASC 360 Property, Plant and Equipment. Such assets are carried at the lower of carrying amount and fair value less costs to sell.

*Intangible Assets, Net*

<b>(In thousands)</b>	<b>Gross</b>	<b>Accumulated Amortization</b>	<b>Net</b>
As of December 31, 2023			
Customer relationship	\$ 2,600	\$ —	\$ 2,600
Trademarks and purchased technology	2,961	(2,209)	752
Total	<u>\$ 5,561</u>	<u>\$ (2,209)</u>	<u>\$ 3,352</u>
As of January 1, 2023			
Trademarks and purchased technology	<u>\$ 2,305</u>	<u>\$ (2,014)</u>	<u>\$ 291</u>

Aggregate amortization expense for intangible assets totaled \$0.2 million and \$0.3 million and \$0.4 million for fiscal years 2023, 2022, and 2021 respectively.

As of December 31, 2023, the estimated future amortization expense related to definite-lived intangible assets is as follows:

<b>(In thousands)</b>	
Fiscal Year	
2024	\$ 866
2025	818
2026	740
2027	730
2028	80
Thereafter	118
Total future amortization expense	<u>\$ 3,352</u>

*Goodwill*

As of December 31, 2023, the carrying amount of goodwill is \$7.9 million and it relates to the acquisition of certain assets from SolarCA LLC (See Note 18. *Acquisition of certain assets* for more details). Goodwill is primarily attributable to expected synergies and the assembled workforce acquired.

The Company performed an impairment assessment on the goodwill and concluded that it was not more likely that the fair value was less than its carrying amount. Accordingly, no impairment loss of goodwill was recognized for fiscal years 2023.



*Property, Plant and Equipment, Net*

<b>(In thousands)</b>	<b>As of</b>	
	<b>December 31, 2023</b>	<b>January 1, 2023</b>
Manufacturing equipment	\$ 185,536	\$ 300,089
Land and buildings	148,808	151,763
Leasehold improvements	85,536	89,215
Solar power systems	1,318	1,300
Computer equipment	49,220	39,011
Furniture and fixtures	1,321	1,378
Construction-in-process	22,000	15,786
Property, plant and equipment, gross	493,739	598,542
Less: accumulated depreciation	(213,714)	(218,074)
Property, plant and equipment, net	<u>\$ 280,025</u>	<u>\$ 380,468</u>

Aggregate depreciation expense for property, plant and equipment totaled \$55.7 million and \$56.5 million and \$41.8 million for fiscal years 2023, 2022, and 2021 respectively.

*Other Long-term Assets*

<b>(In thousands)</b>	<b>As of</b>	
	<b>December 31, 2023</b>	<b>January 1, 2023</b>
Equity investments without readily determinable fair value (Note 10)	\$ 4,000	\$ 4,000
Equity method investments (Note 10)	—	3,061
Prepaid Forward (Note 11)	16,298	34,661
Prepayment for capital expenditure	35,150	7,890
Restricted cash	100	2,545
Land rights	4,728	4,930
Receivables from SunPower, less current portion (Note 3)	6,220	1,458
Other	2,414	1,873
Other long-term assets	<u>\$ 68,910</u>	<u>\$ 60,418</u>

*Accrued Liabilities*

(In thousands)	As of	
	December 31, 2023	January 1, 2023
Employee compensation and employee benefits	\$ 23,165	\$ 25,885
Short-term warranty reserves	3,333	7,082
Restructuring reserve (Note 8)	25,429	563
Accrued interest payable	12,151	13,577
Other payables to SunPower (Note 3)	2,198	7,769
VAT payables	3,108	8,418
Derivative financial instruments (Note 12)	2,456	5,318
Legal accruals	8,489	7,903
Taxes payable	4,572	13,575
Payable to factor agencies	504	1,172
Refund liabilities to TotalEnergies, current portion (Note 3)	10,127	7,382
Repurchase obligation <sup>(1)</sup>	—	30,508
Short-term security deposit payable	1,990	—
Liquidated damage provision <sup>(2)</sup>	8,361	—
Provision for loss on firm purchase commitment	2,644	1,041
Other	4,929	4,964
Accrued liabilities	\$ 113,456	\$ 135,157

<sup>(1)</sup> Amount as of January 1, 2023 relates to obligation to the suppliers who perform toll manufacturing of wafers for the Company. The Company has sold polysilicon to these suppliers and will have to repurchase back in the form of wafers. Such amount was fully repurchased during fiscal year 2023.

<sup>(2)</sup> Amount relates to estimated exposure arising from delays of delivery of modules under the terms and conditions for some of our supply contracts.

*Other Long-term Liabilities*

(In thousands)	As of	
	December 31, 2023	January 1, 2023
Long-term warranty reserves	\$ 22,178	\$ 26,130
Unrecognized tax benefits	5,451	16,823
Long-term security deposit payable	91	2,012
Long-term pension liability	1,960	1,632
Refund liabilities to TotalEnergies, net of current portion (Note 3)	8,102	14,764
Other	712	2,302
Other long-term liabilities	\$ 38,494	\$ 63,663

<sup>(1)</sup> Included in the warranty reserve is the long-term system warranty reserve of \$4.5 million and \$4.7 million as of December 31, 2023 and January 1, 2023, respectively, relating to SunPower's business which is indemnified by SunPower under the Separation and Distribution Agreement and accordingly, the Company has recorded the corresponding receivables under "Other long-term assets" on the Consolidated Balance Sheets.

*Accumulated Other Comprehensive Loss*

(In thousands)	As of	
	December 31, 2023	January 1, 2023
Cumulative translation adjustment	\$ (19,450)	\$ (21,695)
Unrecognized gain on long-term pension liability adjustment	4,513	5,105
Net unrealized loss on derivative instruments	(1,441)	(5,518)
Accumulated other comprehensive loss	\$ (16,378)	\$ (22,108)

**NOTE 7. FAIR VALUE MEASUREMENTS**

Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement (observable inputs are the preferred basis of valuation):

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Measurements are inputs that are observable for assets or liabilities, either directly or indirectly, other than quoted prices included within Level 1.
- Level 3—Prices or valuations that require management inputs that are both significant to the fair value measurement and unobservable.

*Assets and Liabilities Measured at Fair Value on a Recurring Basis*

We measure certain assets and liabilities at fair value on a recurring basis. There were no transfers between fair value measurement levels during the presented periods. We did not have any assets or liabilities measured at fair value on a recurring basis requiring Level 3 inputs as of December 31, 2023 or January 1, 2023.

The following table summarizes our assets and liabilities measured and recorded at fair value on a recurring basis as of December 31, 2023 and January 1, 2023:

(In thousands)	December 31, 2023		January 1, 2023	
	Total Fair Value	Level 2	Total Fair Value	Level 2
<b>Assets</b>				
Prepaid expenses and other current assets				
Derivative financial instruments (Note 12)	\$ 313	\$ 313	\$ 703	\$ 703
Other long-term assets				
Prepaid Forward	16,298	16,298	\$ 34,661	\$ 34,661
Total assets	\$ 16,611	\$ 16,611	\$ 35,364	\$ 35,364
<b>Liabilities</b>				
Accrued liabilities				
Derivative financial instruments (Note 12)	2,456	2,456	5,318	5,318
Total liabilities	\$ 2,456	\$ 2,456	\$ 5,318	\$ 5,318

*Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis*

We measure certain investments and non-financial assets (including property, plant and equipment) at fair value on a non-recurring basis in periods after initial measurement in circumstances when the fair value of such asset is impaired below its recorded cost. As of December 31, 2023 and January 1, 2023, there were no material items recorded at fair value on a non-recurring basis.

*Held-to-Maturity Debt Securities*

Our restricted debt security, classified as held-to-maturity, is the Philippine government bond that we maintain and used as collateral for business transactions within the Philippines. This bond has a maturity date of less than a year and is classified as “Restricted short-term marketable securities” in our Consolidated Balance Sheets. As of December 31, 2023 and January 1, 2023, these bonds had a carrying value of \$1.4 million and \$1.0 million respectively.

As of January 1, 2023, we had a 4-month time deposit with Deutsche Bank AG, with a carrying amount of \$76.0 million, recorded in “Short-term securities” in our Consolidated Balance Sheets. The deposit bore interest at a rate of 3.65% per annum and matured in January 2023.

We recorded such held-to-maturity investments at amortized cost based on our ability and intent to hold the securities until maturity. We monitor for changes in circumstances and events that would affect our ability and intent to hold such securities until the recorded amortized costs are recovered. No other-than-temporary impairment loss was incurred during the period presented.

*Non-Marketable Equity Investments*

Our non-marketable equity investments are securities in privately-held companies without readily determinable market values. On January 1, 2018, we adopted ASU 2016-01 and elected to adjust the carrying value of our non-marketable equity securities to cost less impairment, adjusted for observable price changes in orderly transactions for an identical or similar investment of the same issuer. As of December 31, 2023 and January 1, 2023, we had \$4.0 million in investments accounted for under the measurement alternative method.

*Equity Method Investments*

Our investments accounted for under the equity method are described in Note 10. *Equity Investments*. We monitor these investments, which are included within “Other long-term assets” in our Consolidated Balance Sheets, for impairment and record reductions in the carrying values when necessary. Circumstances that indicate an other-than-temporary decline include Level 3 measurements such as the valuation ascribed to the issuing company in subsequent financing rounds, decreases in quoted market prices, and declines in the results of operations of the issuer.

**NOTE 8. RESTRUCTURING**

*Maxeon’s Restructuring Plans*

May 2021 Restructuring Plan

In fiscal year 2021, the Company adopted a restructuring plan to reduce costs and focus on improving cash flow, primarily related to the closure of a France-based manufacturing facility in Toulouse. There was less than 40 employees affected in connection with this restructuring plan. This represents a mixture of manufacturing and non-manufacturing employees. The restructuring activities was substantially completed in fiscal year 2022. The activities in fiscal year 2023 pertains to the sale of the manufacturing facility and settlement of employment benefits provided to affected employees in accordance to local statutory requirements .

June 2022 Restructuring Plan

In fiscal year 2022, the Company adopted a restructuring plan to reduce costs and focus on improving cash flow, primarily related to the closure of our module factory in Porcelette, France. There were less than 30 employees affected by this restructuring plan, representing a mixture of manufacturing and non-manufacturing employees. The restructuring activities was substantially completed in fiscal year 2023 and the module factory was also sold in the same year. The remaining activities in fiscal year 2024 relates to the settlement of employment benefits provided to affected employees in accordance to local statutory requirements

#### September 2023 Restructuring Plan

In fiscal year 2023, the Company has adopted a restructuring plan to rebalance our global operations to create efficiencies, improving cash flows and improve our product execution in alignment with our strategy. Restructuring charges are primarily comprised of impairment, cost of disposal and retirement of long-lived assets, including right of use assets, contract termination cost for capital expenditure and severance and benefits. The restructuring activities for the September 2023 Restructuring Plan are expected to be completed by fiscal year 2024.

The following table summarizes the period-to-date restructuring charges by plan recognized in our Consolidated Statements of Operations:

(In thousands)	Fiscal Year Ended		
	December 31, 2023	January 1, 2023	January 2, 2022
<b>May 2021 Restructuring Plan:</b>			
Severance and benefits	129	(475)	4,313
(Gain from) cost of disposal and retirement of property, plant and equipment	(1,880)	60	252
Total May 2021 Restructuring Plan	(1,751)	(415)	4,565
<b>June 2022 Restructuring Plan:</b>			
Severance and benefits	(348)	1,981	—
Cost of disposal and retirement of property, plant and equipment	457	599	—
Total June 2022 Restructuring Plan	109	2,580	—
<b>September 2023 Restructuring Plan:</b>			
Inventory impairments and other inventory related costs <sup>(1)</sup>	24,278	—	—
Severance and benefits	12,745	—	—
Impairment and cost of disposal and retirement of long-lived assets, including right of use assets	74,480	—	—
Contract termination costs for capital expenditure	39,051	—	—
Other costs	817	—	—
Total September 2023 Restructuring Plan	151,371	—	—
<b>Other Restructuring:</b>			
Severance and benefits	—	—	1,077
Cost of disposal and retirement of property, plant and equipment	—	(47)	2,440
Other costs	—	—	2
Total Other Restructurings	—	(47)	3,519
Total restructuring charges	\$ 149,729	\$ 2,118	\$ 8,084

<sup>(1)</sup> Included in Cost of revenue.

The following table summarizes the restructuring reserve movements during fiscal year 2023:

(In thousands)	January 1, 2023	(Credits) Charges	(Deduction) Settlement	December 31, 2023
<b>May 2021 Restructuring Plan:</b>				
Severance and benefits	\$ 42	\$ 129	\$ (171)	\$ —
(Gain) Cost of disposal and retirement of property, plant and equipment	—	(1,880)	1,880	—
Total May 2021 Restructuring Plan	42	(1,751)	1,709	—
<b>June 2022 Restructuring Plan:</b>				
Severance and benefits	521	(348)	(111)	62
Cost of disposal and retirement of property, plant and equipment	—	457	(457)	—
Total June 2022 Restructuring Plan	521	109	(568)	62
<b>September 2023 Restructuring Plan:</b>				
Inventory impairments and other inventory related costs	\$ —	\$ 24,278	\$ (20,553)	3,725
Severance and benefits	—	12,745	(9,694)	3,051
Impairment and cost of disposal and retirement of property, plant and equipment and Right of use Assets	\$ —	\$ 74,480	\$ (74,480)	—
Contract termination costs	—	39,051	(20,964)	18,087
Other costs	—	817	(313)	504
Total September 2023 Restructuring Plan	—	151,371	(126,004)	25,367
<b>Total Restructuring Charges</b>	<b>\$ 563</b>	<b>\$ 149,729</b>	<b>\$ (124,863)</b>	<b>\$ 25,429</b>

#### NOTE 9. COMMITMENTS AND CONTINGENCIES

##### *Maxeon as a lessee*

We lease certain facilities under non-cancellable operating leases from third parties. As of December 31, 2023 and January 1, 2023, future minimum lease payments for facilities under operating leases were \$29.1 million and \$22.5 million, respectively, to be paid over the remaining contractual terms of up to 3.9 years. The Company has the option to extend certain leases for up to 10 years. These options are included in the lease term when it is reasonably certain that the option will be exercised.

We also lease certain buildings, machinery and equipment under non-cancellable finance leases. As of December 31, 2023 and January 1, 2023, future minimum lease payments for assets under finance leases were \$1.6 million and \$2.2 million, to be paid over the remaining contractual terms of up to 3.4 years and 4.4 years, respectively. Of the \$1.6 million, \$0.4 million is included in "Short-term debt" and \$1.2 million is included in "Long-term debt" on the Consolidated Balance Sheets as of December 31, 2023.

We have disclosed quantitative information related to the lease contracts we have entered into as a lessee by aggregating the information based on the nature of the asset such that assets with similar characteristics and lease terms are shown within one single financial statement line item.

The table below presents the summarized quantitative information with regard to lease contracts we have entered into:

(In thousands)	Fiscal Year Ended	
	December 31, 2023	January 1, 2023
Operating lease expense	\$ 5,236	\$ 4,173
Cash paid for amounts included in the measurement of lease liabilities		
Cash paid for operating leases	5,941	3,537
Right-of-use assets obtained in exchange for lease obligations	10,929	5,639
Weighted-average remaining lease term (in years) – operating leases	3.9	4.6
Weighted-average discount rate – operating leases	6.5 %	6.4 %

The following table presents our minimum future rental payments on leases placed in service as of December 31, 2023:

(In thousands)	Operating Leases	Finance Lease
2024	\$ 7,143	\$ 504
2025	7,046	519
2026	6,625	535
2027	4,795	229
2028	3,519	—
Thereafter	—	—
<b>Total lease payments</b>	<b>29,128</b>	<b>1,787</b>
Less: imputed interest	(3,712)	(160)
<b>Total</b>	<b>\$ 25,416</b>	<b>\$ 1,627</b>

#### *Maxeon as a lessor*

We lease certain facilities under operating leases to third parties and affiliates of Total. Some of these leases include an option to extend the lease either at the option of the lessees or upon mutual written agreement of both parties.

The following table presents our minimum future rental receivables on the operating leases as of December 31, 2023:

(In thousands)	Total	Payments Due by Fiscal Year		
		2024	2025	Thereafter
Minimum future rental receivable	\$ 2,585	\$ 2,408	\$ 177	\$ —

#### *Purchase Commitments*

We purchase raw materials for inventory and manufacturing equipment from a variety of vendors. During the normal course of business, in order to manage manufacturing lead times and help assure adequate supply, we enter into agreements with contract manufacturers and suppliers that either allow them to procure goods and services based on specifications defined by us, or that establish parameters defining our requirements. In certain instances, these agreements allow us the option to cancel, reschedule or adjust our requirements based on our business needs before firm orders are placed. Consequently, purchase commitments arising from these agreements are excluded from our disclosed future obligations under non-cancellable and unconditional commitments.

We also have agreements with several suppliers, including one of our non-consolidated investees, for the procurement of ingots, and wafers, as well as certain module-level power electronics and related equipment.

Future purchase obligations under non-cancellable purchase orders and long-term supply and service agreements as of December 31, 2023 are as follows:

(In thousands)	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026 and thereafter	Total <sup>(1)</sup>
Future purchase obligations	\$ 266,619	\$ 481	\$ 922	\$ 268,022

<sup>(1)</sup> Total future purchase obligations comprised of \$150.6 million related to non-cancellable purchase orders and \$117.4 million related to long-term supply and service agreements.

We expect that all obligations related to non-cancellable purchase orders for manufacturing equipment will be recovered through future cash flows of the solar cell manufacturing lines and solar panel assembly lines when such long-lived assets are placed in service. Factors considered important that could result in an impairment review include significant under-performance relative to expected historical or projected future operating results, significant changes in the manner of use of acquired assets, and significant negative industry or economic trends. Obligations related to non-cancellable purchase orders for inventories match current and forecasted sales orders that will consume these ordered materials and actual consumption of these ordered materials is regularly compared to expected demand. We anticipate total obligations will be recovered because the quantities required to be purchased are expected to be utilized in the manufacture and profitable sale of solar power products in the future based on our long-term operating plans. The terms of the supply agreements are reviewed regularly by us and we assess the need for any accruals for estimated losses on adverse purchase commitments, such as lower of cost or net realizable value adjustments that will not be recovered by future sales prices, forfeiture of advanced deposits and liquidated damages, as necessary.

#### Product Warranties

The following table summarizes the product warranty activities for fiscal years 2023 and 2022:

(In thousands)	Fiscal Year	
	2023	2022
Balance at the beginning of the period	\$ 28,347	\$ 30,616
Accruals for warranties issued during the period	6,437	6,366
Settlements and adjustments during the period	(13,794)	(8,635)
Balance at the end of the period	\$ 20,990	\$ 28,347

#### Liabilities Associated with Uncertain Tax Positions

Total liabilities associated with uncertain tax positions were \$5.5 million and \$16.8 million as of December 31, 2023 and January 1, 2023, respectively. These are included within "Other long-term liabilities" in our Consolidated Balance Sheets as they are not expected to be paid within the next 12 months. Due to the complexity and uncertainty associated with our tax positions, we cannot make a reasonably reliable estimate of the period in which cash settlement, if any, would be made for our liabilities associated with uncertain tax positions in Other long-term liabilities.

#### Defined Benefit Pension Plans

Prior to the Spin-off, SunPower maintained defined benefit pension plans for certain of our employees and they continue to be part of these pension plans after the Spin-off and the maintenance of such defined benefit pension



plans has been transferred to the Company. Benefits under these plans are generally based on an employee's age, years of service and compensation. Funding requirements are determined on an individual country and plan basis and are subject to local country practices and market circumstances. The funded status of the pension plans, which represents the difference between the benefit obligation and fair value of plan assets, is calculated on a plan-by-plan basis. We have elected to measure plan assets and benefit obligation using the month-end that is closest to our fiscal year-end. The benefit obligation and related funded status are determined using assumptions as of the end of each fiscal year. We recognize the overfunded or underfunded status of our pension plans as an asset or liability on our Consolidated Balance Sheets. As of December 31, 2023 and January 1, 2023, the underfunded status of our pension plans presented within "Other long-term liabilities" on our Consolidated Balance Sheets was \$2.0 million and \$1.6 million, respectively. The impact of transition assets and obligations and actuarial gains and losses are recorded within "Accumulated other comprehensive loss" and are generally amortized as a component of net periodic cost over the average remaining service period of participating employees. We recorded a loss of \$0.6 million for fiscal year 2023, a gain of \$0.9 million and \$0.8 million for fiscal year 2022 and 2021, respectively, related to our benefit plans.

Our entity in the Philippines has a tax qualified defined benefit plan covering its regular employees (the "Philippines Plan" or the "Fund"). Under the Philippines Plan, all employees of the entity who have not reached the age of 60 are qualified and become automatically members of the plan.

The Fund is administered by a trustee bank, under a Trust Agreement (the "Philippines Trust Agreement"), designated by the Philippines' subsidiary acting through the Retirement Committee (as defined in the Philippines Trust Agreement). The Trustee shall have administrative control over the management of the Fund, and shall be vested with all powers, authority and discretion necessary or expedient for that purpose, in addition to any express powers conferred by the Philippines Trust Agreement. The trustee may adopt and prescribe such rules and regulations as are necessary for the efficient administration of the Fund, provided such are not inconsistent with the Rules and Regulations of the Retirement Plan (as defined in the Philippines Plan).

Under the existing regulatory framework in the Philippines, it requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreement shall not be less than those provided under the law. The law does not require minimum funding of the plan.

#### *Indemnifications*

In the ordinary course of business, the Company enters into contractual arrangements under which the Company may agree to indemnify a third party to such arrangement from any losses incurred relating to the services they perform on behalf of the Company or for losses arising from certain events as defined within the particular contract, which may include, for example, litigation or claims relating to past performance. Historically, payments made related to these indemnifications have been immaterial.

Similarly, the Company enters into contractual arrangements under which SunPower or other third parties agrees to indemnify the Company for certain litigation and claims to which we are a party. As the exposure related to these claims are directly attributable to the Company's historical operations, the Company has recognized a receivable from SunPower in the amount of \$3.0 million as of December 31, 2023, consistent with the Company's recognition and measurement principles and assumptions. The receivable balances are recorded in "Prepaid expenses and other current assets" in the Consolidated Balance Sheets.

#### *Legal Matters*

We are a party to various litigation matters and claims that arise from time to time in the ordinary course of our business. While we believe that the ultimate outcome of such matters will not have a material adverse effect on us, their outcomes are not determinable and negative outcomes may adversely affect our financial position, liquidity, or results of operations. In addition, under the Separation and Distribution Agreement entered into with SunPower in connection with the Spin-off, SunPower indemnifies us for certain litigation claims to which certain of our subsidiaries are named the defendant or party. The liabilities related to these legal claims and an offsetting

receivable from SunPower are reflected on our Consolidated Balance Sheets as of December 31, 2023 and January 1, 2023. Please refer to Note 3. *Transactions with SunPower and TotalEnergies*.

During fiscal year 2023, the Company has received legal claims from certain parties. The Company has made provisions for the estimated amount of exposure in relation to this claim in “Accrued liabilities” on the Consolidated Balance Sheets as of December 31, 2023. The Company is not able to estimate the possible cost or liabilities in excess of the accrual.

#### *Letters of Credit and Bank Guarantees*

The Company provides standby letters of credit or other guarantee instruments to various parties as required for certain transactions initiated during the ordinary course of business, to guarantee the Company’s performance in accordance with contractual or legal obligations. As of December 31, 2023, the maximum potential payment obligation that the Company could be required to make under these guarantee agreements was \$5.3 million. The contractual terms of the guarantees range from 7 months to 57 months. We have not recorded any liability in connection with these guarantee agreements beyond that required to appropriately account for the underlying transaction being guaranteed. We do not believe, based on historical experience and information currently available, that it is probable that any amounts will be required to be paid under these guarantee agreements. Certain guarantee agreements are collateralized by restricted cash totaling to \$5.3 million which is included in “Prepaid expenses and other current assets” and “Other long-term assets” on the Consolidated Balance Sheets as of December 31, 2023.

### **NOTE 10. EQUITY INVESTMENTS**

#### *Equity Method Investments*

##### *Huansheng Photovoltaic (Jiangsu) Co., Ltd (“Huansheng”)*

In March 2016, SunPower entered into an agreement with Dongfang Electric Corporation and TZE to form Huansheng Photovoltaic (Jiangsu) Co., Ltd., a jointly owned solar cell manufacturing facility to manufacture our Performance line modules in China. The joint venture is based in Yixing City in Jiangsu Province, China. In March 2016, we made an initial \$9.2 million investment for a 15% equity ownership interest in the joint venture, which was accounted for under the cost method. In February 2017, we invested an additional \$9.0 million which included an investment of \$7.7 million and reinvested dividends of \$1.3 million, bringing our equity ownership to 20% of the joint venture. In February and April 2018, we invested an additional \$6.3 million and \$6.3 million (net of \$0.7 million of dividends reinvested), respectively, maintaining our equity ownership at 20% of the joint venture. In September 2021, TZE made a capital injection of RMB270.0 million (equivalent to \$41.6 million) to Huansheng JV to facilitate the capacity expansion of Huansheng JV. The Company did not make a proportionate injection based on its equity interest in Huansheng JV which resulted in a dilution of the Company’s equity ownership from 20.0% to 16.3%. Consequently, we recorded a gain of \$3.0 million related to the deemed disposal of the equity ownership, including \$0.03 million relating to the recycling of other comprehensive income to profit or loss. The gain is presented within “Other, net” in our Consolidated Statements of Operations.

We have concluded that we are not the primary beneficiary of the joint venture because, although we are obligated to absorb losses and has the right to receive benefits, we alone do not have the power to direct the activities of the joint venture that most significantly impact its economic performance. We account for our investment in the joint venture using the equity method because we are able to exercise significant influence over the joint venture due to our board position. The Company is not contractually obligated to provide additional funding to the joint venture and therefore, the maximum exposure to loss is restricted to the carrying amount of the investment as disclosed on the Consolidated Balance Sheets.

For the fiscal years 2023, 2022 and 2021, the equity method investment held by the Company in Huansheng JV have met the significance criteria as defined under Rule 4-08(g) of Regulation S-X. The summarized financial

information as of December 31, 2023 and January 1, 2023 and for the fiscal years ended 2023, 2022 and 2021 is as follows:

(In thousands)	As of	
	December 31, 2023	January 1, 2023
Current assets	\$ 924,110	\$ 556,744
Non-current assets	711,499	615,107
Current liabilities	361,072	444,202
Non-current liabilities	667,617	304,088
Non-controlling interest	615,395	395,173

(In thousands)	Fiscal Year Ended		
	December 31, 2023	January 1, 2023	January 2, 2022
Revenue	\$ 1,637,862	\$ 1,619,358	\$ 1,018,731
Gross profit (loss)	\$ 1,433	(40,099)	25,204
Loss from operations	\$ (135,799)	(177,283)	(27,427)
Net loss	\$ (136,433)	(159,888)	(126,338)
Net loss attributable to Huansheng JV	\$ (33,708)	(62,820)	(95,939)

Related-party transactions with Huansheng JV are as follows:

(In thousands)	As of	
	December 31, 2023	January 1, 2023
Accounts payable	\$ 9,920	\$ 38,452

(In thousands)	Fiscal Year Ended		
	December 31, 2023	January 1, 2023	January 2, 2022
Payments made to investee for products/services	\$ 226,118	\$ 331,004	\$ 249,670

*Huaxia CPV (Inner Mongolia) Power Co., Ltd. ("CCPV")*

In December 2012, SunPower entered into an agreement with TZE, Inner Mongolia Power Group Co. Ltd. and Hohhot Jinqiao City Development Company Co., Ltd. to form CCPV, a jointly owned entity to manufacture and deploy our low-concentration PV ("LCPV") concentrator technology in Inner Mongolia and other regions in China. CCPV is based in Hohhot, Inner Mongolia. The establishment of the entity was subject to approval of the PRC government, which was received in the fourth quarter of fiscal year 2013. In December 2013, we made a \$16.4 million equity investment in CCPV, for a 25% equity ownership.

We have concluded that we are not the primary beneficiary of CCPV because, although we are obligated to absorb losses and have the right to receive benefits, we alone do not have the power to direct the activities of CCPV that most significantly impact its economic performance. We account for our investment in CCPV using the equity method because we are able to exercise significant influence over CCPV due to our board position. Due to changes in certain facts and circumstances, in fiscal year 2017, we impaired the entire amount of this investment. CCPV has initiated liquidation process in fiscal year 2023 and the Company has filed its claim towards its receivables that has been fully impaired.

*Equity Investments without Readily Determinable Fair Value**Deca Technologies, Inc.*

In September 2010, SunPower entered into an agreement to purchase preferred shares of Deca Technologies, Inc., a subsidiary of Cypress Semiconductor, that commercializes a proprietary electronic system interconnect technology. The investment was intended to monetize our intellectual property and capabilities in an adjacent field and potential co-development opportunities in the future. Pursuant to the share purchase agreement, we are entitled to certain liquidation and conversion rights of holders of such preferred shares. Concurrent with the purchase agreement, we also entered into a lease and facility service agreement and license agreement. During fiscal year 2020, in connection with an equity transaction with a third-party investor, the Company agreed to give up the liquidation and conversion rights in exchange for two transactions which increased the equity ownership to 8%, together with a cash dividend of \$2.5 million representing a return of capital. In addition, we recorded a gain of \$1.3 million related to an increase in the fair value of our investment, based on observable market transactions with the third-party investor. The gain is presented within "Other, net" on our Consolidated Statements of Operations. As of December 31, 2023 and January 1, 2023, our total equity investment in Deca Technologies, Inc. was \$4.0 million.

Our equity investments consist of equity method investments and equity investments without readily determinable fair value. The below table represents the Company maximum exposure to loss of the equity investments where the Company is not the primary beneficiary.

<b>(In thousands)</b>	<b>As of</b>	
	<b>December 31, 2023</b>	<b>January 1, 2023</b>
Equity method investment	\$ —	\$ 3,061
Equity investments without readily determinable fair value	4,000	4,000
<b>Total equity investments</b>	<b>\$ 4,000</b>	<b>\$ 7,061</b>

*Variable Interest Entities*

A VIE is an entity that has either (i) insufficient equity to permit the entity to finance its activities without additional subordinated financial support, or (ii) equity investors who lack the characteristics of a controlling financial interest. Under ASC 810, Consolidation, an entity that holds a variable interest in a VIE and meets certain requirements would be considered to be the primary beneficiary of the VIE and is required to consolidate the VIE in its consolidated financial statements. In order to be considered the primary beneficiary of a VIE, an entity must hold a variable interest in the VIE and have both:

- The power to direct the activities that most significantly impact the economic performance of the VIE; and
- The right to receive benefits from, or the obligation to absorb losses of the VIE that could be potentially significant to the VIE.

We follow guidance on the consolidation of VIEs that requires companies to utilize a qualitative approach to determine whether it is the primary beneficiary of a VIE. The process for identifying the primary beneficiary of a VIE requires consideration of the factors that indicate a party has the power to direct activities that most significantly impact the investees' economic performance, including powers granted to the investees' governing board and, to a certain extent, a company's economic interest in the investee. We analyze our investments in VIEs and classify them as either:

- A VIE that must be consolidated because we are the primary beneficiary or the investee is not a VIE and we hold the majority voting interest with no significant participative rights available to the other partners; or
- A VIE that does not require consolidation because we are not the primary beneficiary or the investee is not a VIE and we do not hold the majority voting interest.

As part of the above analysis, if it is determined that we have the power to direct the activities that most significantly impact the investees' economic performance, we consider whether or not we have the obligation to absorb losses or rights to receive benefits of the VIE that could potentially be significant to the VIE.

*Consolidated VIE*

To comply with local government laws in the Philippines, SPML Land, Inc. ("SPML Land") was formed on July 20, 2006 to own land, buildings and equipment that is leased by SPML Land to SunPower Philippines Manufacturing Limited ("SPML"), which is a subsidiary of the Company. SPML owns 40% equity interest in SPML Land and certain SPML employees own the remaining 60% equity interest in SPML Land. Financing for the capital expenditure of SPML Land is provided by SPML.

Based on the relevant accounting guidance summarized above, we have concluded that we are the primary beneficiary as we have the power to direct the activities that significantly impact its economic performance and we have exposure to significant profits or losses, and as such, we consolidate the entity.

The aggregate carrying amounts of the total assets and total liabilities of SPML Land as of December 31, 2023 were \$24.7 million and \$4.8 million respectively and as of January 1, 2023 were \$21.7 million and \$4.2 million, respectively.

**NOTE 11. DEBT AND CREDIT SOURCES**

**Green Convertible Notes**

On July 17, 2020, Maxeon issued \$200.0 million aggregate principal amount of its 6.5% Green Convertible Senior Notes due 2025 ("Green Convertible Notes"), if not earlier repurchased or converted. The Green Convertible Notes are senior, unsecured obligations of Maxeon and will accrue regular interest at a rate of 6.5% per annum, payable semi-annually in arrears on January 15 and July 15 of each year, beginning on January 15, 2021. Upon satisfaction of the relevant conditions, the Green Convertible Notes will be convertible into Maxeon shares at an initial conversion price of \$18.19 per share and an initial conversion rate of 54.9611 Maxeon shares per \$1,000 principal amount of Green Convertible Notes. The conversion rate and conversion price will be subjected to adjustment in specified circumstances. We will settle conversions by paying or delivering, as applicable, cash, Maxeon shares or a combination of cash and Maxeon shares, at our election. The Green Convertible Notes will be also redeemable, in whole or in part, at a cash redemption price equal to their principal amount, plus accrued and unpaid interest, if any, at Maxeon's option at any time, and from time to time, on or after July 17, 2023 and on or before the 60th scheduled trading day immediately before the maturity date, but only if the last reported sale price per ordinary share of Maxeon exceeds 130% of the conversion price for a specified period of time. In addition, the Green Convertible Notes will be redeemable, in whole and not in part, at a cash redemption price equal to their principal amount, plus accrued and unpaid interest, if any, at Maxeon's option in connection with certain changes in tax law. Upon the occurrence of a fundamental change (as defined in the Indenture), noteholders may require Maxeon to repurchase their Green Convertible Notes for cash. The repurchase price will be equal to the principal amount of the Green Convertible Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the applicable repurchase date.

The Green Convertible Notes were convertible during the second quarter of 2023 as the circumstances for conversion set out in Section 5.01(C)(i)(1) of the indenture dated July 17, 2020 between the Company and Deutsche Bank Trust Company Americas (the "2025 Notes Indenture") were met for that period. During the third quarter of 2023, the Green Convertible Notes are no longer convertible. No conversion took place while the Green Convertible Notes were convertible.

Prior to the adoption of ASU 2020-06, the Green Convertible Notes was classified as a financial instrument that had both an equity and liability component. The liability component was recorded at fair value on initial recognition with the residual accounted for in equity. Subsequently, the liability portion was recorded at amortized cost. As a result of adopting ASU 2020-06, the Company made certain adjustments to its accounting for the Green Convertible Notes. The Company adopted the ASU during the first quarter of fiscal year 2022 on a modified retrospective basis. The adoption of ASU 2020-06 eliminated the bifurcation of the liability and equity components of the Green

Convertible Notes into a single liability instrument. As a result of the adoption, the carrying amount of the Green Convertible Notes increased by \$42.1 million to \$187.8 million as of January 3, 2022. Additional paid-in-capital was reduced by \$52.2 million and \$10.1 million cumulative effect of adoption was recognized to the opening balance of accumulated deficit as of January 3, 2022.

As at December 31, 2023 and January 1, 2023, the net carrying amount of the Green Convertible Notes was \$194.7 million and \$191.3 million respectively, recorded in “Convertible debt” on the Consolidated Balance Sheets. As at December 31, 2023 and January 1, 2023, the fair value of the Green Convertible Notes was \$152.6 million and \$218.6 million, respectively, determined using Level 2 inputs based on market prices as reported by an independent pricing source and the face value of the debt is \$200.0 million.

As of December 31, 2023 and January 1, 2023, included in the net carrying amount of the Green Convertible Notes is the unamortized debt issuance cost of \$5.3 million and \$8.7 million, respectively, to be amortized over a term of the note until 2025.

Interest expense arising from the Green Convertible Notes that is recorded in the Consolidated Statements of Operation is as follows:

(In thousands)	Fiscal Year					
	2023		2022		2021	
Contractual interest expense	\$	13,000	\$	13,000	\$	13,000
Amortization of debt issuance costs and debt discount		3,434		3,434		10,701

As at December 31, 2023 and January 1, 2023, the if-converted value of the Green Convertible Notes is below the outstanding principal amount by \$121.2 million and \$23.5 million, respectively.

#### Physical Delivery Forward

On July 17, 2020 and in connection with the issuance of the Green Convertible Notes, the Company entered into a privately negotiated forward-starting physical delivery forward transaction (the “Physical Delivery Forward”) with Merrill Lynch International (the “Physical Delivery Forward Counterparty”), with respect to approximately \$60.0 million worth of ordinary shares (the “Physical Delivery Maxeon Shares”), pursuant to which the Physical Delivery Forward Counterparty agreed to deliver the Physical Delivery Maxeon Shares to Maxeon or a third-party trustee designated by Maxeon for no consideration at or around the maturity of the Green Convertible Notes subject to the conditions set forth in the agreements governing the Physical Delivery Forward. The Physical Delivery Forward became effective on the first day of the 15 consecutive trading days commencing on September 9, 2020 and ended on September 29, 2020 (the “Note Valuation Period”).

The Company filed a registration statement on Form F-3 with the SEC on September 2, 2020. On September 9, 2020, Maxeon filed a final prospectus supplement related to the offering of up to \$60.0 million of its ordinary shares in connection with the Physical Delivery Forward. Up to Note Valuation date on September 29, 2020, we issued and sold \$58.5 million out of the approximately \$60.0 million worth of shares in the Physical Delivery Forward, representing 3.8 million shares issued with the weighted average underwritten price of \$15.40. The related shares are excluded from both basic and diluted loss per share calculation as this is an own share lending arrangement. During the Note Valuation Period, the Physical Delivery Forward was a liability classified financial instrument that is remeasured to fair value as it represents a net cash settled provision that is akin to an obligation to repurchase the Company's stock. At the end of the Note Valuation Period, the carrying amount of the Physical Delivery Forward was \$64.1 million and a gain of \$8.5 million was recorded in Other expense, net in the Consolidated Statements of Operations. The fair value of the Physical Delivery Forward was affected by the Company's share price and other factors impacting the valuation model. This was subsequently reclassified to equity after remeasurement, at the end of the Note Valuation Period, and thereafter will not be subsequently remeasured.

## Prepaid Forward

On July 17, 2020 and in connection with the issuance of the Green Convertible Notes, Maxeon entered into a privately negotiated forward-starting forward share purchase transaction (the "Prepaid Forward") with Merrill Lynch International (the "Prepaid Forward Counterparty"), pursuant to which Maxeon will repurchase approximately \$40.0 million worth of ordinary shares, subject to the conditions set forth therein, including receipt of required shareholder approvals on an annual basis.

The Prepaid Forward became effective on the first day of the Note Valuation Period. The number of ordinary shares of Maxeon to be repurchased under the Prepaid Forward is determined based on the arithmetic average of the volume-weighted average prices per ordinary share of Maxeon over the Note Valuation Period, subject to a floor price and subject under Singapore law to a limit in aggregate of no more than 20% of the total number of ordinary shares in Maxeon's capital as of the date of the annual shareholder repurchase approval (calculated together with the number of ordinary shares to be repurchased in connection with the Physical Delivery Forward), and Maxeon will prepay the purchase price for the Prepaid Forward in cash using a portion of the net proceeds from the sale of the Green Convertible Notes. Under the terms of the Prepaid Forward, the Prepaid Forward Counterparty will be obligated to deliver the number of ordinary shares of Maxeon underlying the transaction to Maxeon which is 2.5 million shares, or pay cash to the extent Maxeon fails to provide to Prepaid Forward Counterparty evidence of a valid shareholder authorization, on or shortly after the maturity date of the Green Convertible Notes, subject to the ability of the Prepaid Forward Counterparty to elect to settle all or a portion of the transaction early.

The Prepaid Forward is classified as an asset and remeasured to fair value at the end of each reporting period, with changes in fair value booked in earnings as the contract includes provisions that could require cash settlement. As of December 31, 2023 and January 1, 2023, the carrying amount of the Prepaid Forward is \$16.3 million and \$35.7 million respectively, and is recognized as "Other long-term assets" in the Consolidated Balance Sheets. The remeasurement to fair value for fiscal year 2023 and 2021 was a loss of \$18.4 million and \$34.5 million, respectively, while for fiscal year 2022, it was a gain of \$2.4 million. Such remeasurement difference is recorded as Other expense, net in the Consolidated Statements of Operations. The fair value of the Prepaid Forward is affected by the Company's share price and other factors impacting the valuation model.

## 2027 Convertible Notes

On August 17, 2022, Maxeon completed its sale of the 2027 Notes to TZE SG at a purchase price equivalent to 97% of the principal amount of the 2027 Notes. The 2027 Notes will accrue regular interest at a rate of 7.5% per annum, payable semi-annually in arrears on February 17 and August 17 of each year, beginning on February 17, 2023. Payment of interest will take the following forms: (a) the initial 3.5% of the total 7.5% interest payable on an interest payment date shall be paid in cash and (b) the remaining 4.0% of interest payable on such interest payment date may be paid, at the Company's election, (i) in cash, (ii) by increasing the principal amount of the outstanding 2027 Notes or by issuing additional 2027 Notes in a corresponding amount (the "PIK Notes"), in accordance with the terms and conditions of the Indenture, (iii) if subject to certain conditions, in ordinary shares of the Company (the "Shares"), and/or (iv) a combination of any two or more forms of payment as described in (i) through (iii). The payment of principal and interest are jointly and severally unconditionally guaranteed, on a senior secured basis, by certain subsidiaries of the Company.

From and after August 17, 2022 until the fifth scheduled trading day immediately preceding August 17, 2027, the holder of 2027 Notes may, at its option, convert its 2027 Notes at an initial conversion price of \$23.13 per ordinary shares and an initial conversion rate of 43.2301 ordinary shares for \$1,000 principal amount of 2027 Notes, in accordance with the terms and conditions of the indenture dated August 17, 2022 (the "Indenture"). The conversion rate and conversion price will be subjected to adjustment in specified circumstances. The Company can elect to settle the conversions by paying or delivering, as applicable, cash, ordinary shares of the Company or a combination of cash and ordinary shares of Maxeon. The 2027 Notes will be also redeemable, in whole or in part, at a cash redemption price equal to their principal amount, plus accrued and unpaid interest, if any, at Maxeon's option at any time, and from time to time, on or after August 17, 2024, if the closing sale price per Share exceeds 130% of the Conversion Price then in effect on at least 20 trading days (whether or not consecutive) during the 30 consecutive trading days ending on, and including, the trading day immediately before the date of the redemption

notice. In addition, the 2027 Notes will be redeemable, in whole and not in part, at a cash redemption price equal to their principal amount, plus accrued and unpaid interest, if any, at Maxeon's option in connection with certain changes in tax law. Upon the occurrence of a fundamental change (as defined in the Indenture), noteholders may require Maxeon to repurchase their 2027 Notes for cash. The repurchase price will be equal to the principal amount of the 2027 Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the applicable repurchase date.

As at December 31, 2023 and January 1, 2023, the net carrying amount of the 2027 Notes was \$190.9 million and \$187.3 million, respectively, and recorded in "Convertible debt" on the Consolidated Balance Sheets. As at December 31, 2023 and January 1, 2023, the fair value of the 2027 Notes was \$148.4 million and \$199.5 million, respectively, determined using Level 2 inputs based on market prices as reported by an independent pricing source and the face value of the debt is \$207.0 million. As of December 31, 2023 and January 1, 2023, the unamortized debt issuance cost and debt discount is \$16.1 million and \$19.7 million, respectively.

Interest expense arising from the 2027 Notes that is recorded in the Consolidated Statements of Operation is as follows:

(In thousands)	Fiscal Year				
	2023		2022		2021
Contractual interest expense	\$	15,525	\$	5,822	\$
Amortization of debt issuance costs and debt discount		3,514		1,230	

As of December 31, 2023 and January 1, 2023, the if-converted value of the 2027 Notes is below the outstanding principal amount by \$142.8 million and \$63.3 million, respectively.

As at December 31, 2023, the Company has pledged certain assets as collaterals for the 2027 Notes. The carrying amount of the assets pledged as collaterals exceeds the 2027 Notes' principal amount of \$207.0 million. The collaterals includes pledges of the shares of (or other ownership of equity interests in) certain subsidiaries and certain other material assets (including intellectual properties) to the extent the pledges are not restricted under existing regulations, law or contractual obligations.

#### Other Debt and Credit Sources

In June 2018, SunPower entered into a trade financing agreement which entitles us to an uncommitted, on demand import and export combined financing of \$50.0 million through Standard Chartered Bank Malaysia Berhad (the "SCB Agreement") at a 1.5% per annum over LIBOR interest rate over a maximum financing tenor of 90 days. The interest rate for the Revolving Credit agreement was updated to 1.5% per annum over SOFR interest rate over a maximum financing tenor of 90 days in August 2022. In March 2024, the facility limit for the Revolving Credit agreement was revised to \$25.0 million. In April 2024, SCB has requested that the company maintain cash deposits equal to the amount of credit facility utilized and deposit funds equal to twice the credit utilized for any new draws. Subsequent to the request, the Company has not made new draws.

As at December 31, 2023 and January 1, 2023, the outstanding amount and face value of this outstanding debt was \$25.0 million and \$50.0 million respectively. The total amount is recorded in "Short-term debt" on the Consolidated Balance Sheets and matures in fiscal year 2024 and 2023 respectively. During the fiscal years 2023, 2022 and 2021, the Company recorded interest expense of \$2.3 million, \$1.6 million and \$0.5 million, respectively, related to this debt, which is reported as interest expense on the Consolidated Statements of Operations.

Certain of our subsidiaries had debt facilities with a syndicate of lenders entered on July 14, 2020 which were terminated and the availability period of the draw down expired in fiscal year 2021. In connection with the expiration and termination of these debt facilities, a loss on extinguishment of debt of \$5.1 million was recognized. The charge to earnings from the debt issuance cost was \$2.6 million for fiscal year 2021, which is reported as "Interest expense" on the Consolidated Statements of Operations.



**NOTE 12. DERIVATIVE FINANCIAL INSTRUMENTS**

The following tables present information about our hedge instruments measured at fair value on a recurring basis as of December 31, 2023 and January 1, 2023 all of which utilize Level 2 inputs under the fair value hierarchy:

(In thousands)	Balance Sheet Classification	December 31, 2023		January 1, 2023	
<b>Assets:</b>					
Derivatives designated as hedging instruments:					
Foreign currency forward option contracts	Prepaid expenses and other current assets	\$	—	\$	64
Foreign currency forward exchange contracts	Prepaid expenses and other current assets		—		63
		\$	—	\$	127
Derivatives not designated as hedging instruments:					
Foreign currency forward exchange contracts	Prepaid expenses and other current assets	\$	313	\$	576
		\$	313	\$	703
<b>Liabilities:</b>					
Derivatives designated as hedging instruments:					
Foreign currency forward option contracts	Accrued liabilities	\$	—	\$	213
Foreign currency forward exchange contracts	Accrued liabilities		2,440		5,105
		\$	2,440	\$	5,318
Derivatives not designated as hedging instruments:					
Foreign currency forward exchange contracts	Accrued liabilities	\$	16	\$	—
		\$	2,456	\$	5,318

(In thousands)	December 31, 2023			
	Gross Amounts	Net Amounts Presented	Gross Amounts Not Offset in the Consolidated Balance Sheet, but Have Rights to Offset	
			Financial Instruments	
Derivative assets	\$ 313	\$ 313	\$	313
Derivative liabilities	2,456	2,456		2,456

(In thousands)	January 1, 2023					
	Gross Amounts		Net Amounts Presented		Gross Amounts Not Offset in the Consolidated Balance Sheet, but Have Rights to Offset	
					Financial Instruments	
Derivative assets	\$	703	\$	703	\$	703
Derivative liabilities		5,318		5,318		5,318

We recorded a loss of \$2.9 million, \$1.5 million, and \$3.4 million on these derivative instruments during fiscal year 2023, 2022 and 2021 respectively under “Other, net” in the Consolidated Statements of Operations.

As of January 1, 2023, there was a cumulative loss of \$5.5 million recorded in “Accumulated Other Comprehensive Loss” (“OCL”) in connection with the derivatives designated as cash flow hedges. During fiscal year 2023, we recognized an unrealized loss of \$5.1 million and reclassified \$9.2 million of loss from OCL to profit or loss, with a net gain on derivatives of \$4.1 million in the OCL. As of December 31, 2023, the cumulative loss in OCL for the derivatives was \$1.4 million.

During fiscal year 2022, we recognized an unrealized gain of \$7.3 million and reclassified \$15.5 million of gain from OCL to profit or loss, with a net loss on derivatives of \$8.2 million in the OCL.

We classify cash flows related to derivative financial instruments as operating activities in our Consolidated Statements of Cash Flows.

#### *Foreign Currency Exchange Risk*

##### *Designated Derivatives Hedging Cash Flow Exposure*

Our cash flow exposure primarily relates to anticipated third-party foreign currency revenues and expenses. We derive a portion of our revenues in foreign currencies as part of our ongoing business operations. In addition, a portion of our assets are held in foreign currencies. We enter into foreign currency option contracts and foreign currency forward exchange contracts designated as cash flow hedges to hedge certain forecasted revenue transactions denominated in Euros and Australian dollars. We also enter into foreign currency forward contracts designated as cash flow hedges to hedge certain forecasted purchase transactions denominated in Chinese Renminbi. Our foreign currency forward and option contracts are entered into for periods consistent with the related underlying exposures and do not constitute positions that are independent of those exposures. There were no outstanding foreign currency forward exchange denominated in Chinese Renminbi designated as cashflow hedges as at December 31, 2023 and January 1, 2023.

As of December 31, 2023 and January 1, 2023, the derivatives designated as hedging instruments for either gross external or intercompany revenue up to our net economic exposure had notional values of \$111.8 million and \$213.3 million respectively. These derivatives have a maturity of nine months or less and ten months or less as of December 31, 2023 and January 1, 2023, respectively. The effective portion of these cash flow hedges is reclassified into revenue when third-party revenue is recognized in our Consolidated Statements of Operations.

##### *Non-Designated Derivatives Hedging Transaction Exposure*

Derivatives not designated as hedging instruments consist of forward contracts used to hedge re-measurement of foreign currency denominated monetary assets and liabilities primarily for intercompany transactions, receivables from customers, and payables to third parties. Changes in exchange rates between our subsidiaries’ functional currencies and the currencies in which these assets and liabilities are denominated can create fluctuations in our reported consolidated financial position, results of operations and cash flows. As of December 31, 2023, to hedge balance sheet exposure, we held foreign currency forward contracts with an aggregate notional value of \$26.3 million. These foreign currency forward contracts have maturity of three months or less. As of January 1,

2023, to hedge balance sheet exposure, we held foreign currency forward contracts with an aggregate notional value of \$14.9 million. These contracts matured during fiscal year 2023.

#### Credit Risk

Our option and forward contracts do not contain any credit-risk-related contingent features. We are exposed to credit losses in the event of nonperformance by the counterparties to these option and forward contracts. We enter into derivative contracts with high-quality financial institutions and limit the amount of credit exposure to any single counterparty. In addition, we continuously evaluate the credit standing of our counterparties.

### NOTE 13. INCOMES TAXES

#### Benefits from (Provision for) Income Taxes

The components of current and deferred income tax credit (expense) reflected in the Consolidated Statements of Operations are as follows:

(In thousands)	Fiscal Year		
	2023	2022	2021
(Loss) income before income taxes and equity in losses of unconsolidated investees			
Domestic	\$ (384,890)	\$ (307,284)	\$ (271,940)
Foreign	111,364	81,401	32,877
	<u>\$ (273,526)</u>	<u>\$ (225,883)</u>	<u>\$ (239,063)</u>
Benefits from (provision for) income taxes:			
Current tax (expense) benefits			
Domestic	\$ (463)	\$ 134	\$ (375)
Foreign	3,525	(23,727)	5,759
	<u>3,062</u>	<u>(23,593)</u>	<u>5,384</u>
Deferred tax (expense) benefit			
Domestic	16	—	—
Foreign	(2,452)	(8,598)	(5,587)
	<u>(2,436)</u>	<u>(8,598)</u>	<u>(5,587)</u>
Benefits from (provision for) income taxes	<u>\$ 626</u>	<u>\$ (32,191)</u>	<u>\$ (203)</u>

The benefits from (provision for) income taxes differs from the amounts obtained by applying the statutory Singapore tax rate of 17% to income before taxes as shown below:

(In thousands)	Fiscal Year					
	2023		2022		2021	
Statutory rate		17 %		17 %		17 %
Tax benefit at statutory rate	\$	46,500	\$	38,400	\$	40,641
Foreign tax rate differential		(41,357)		(45,985)		(37,390)
Change in valuation allowance		(10,746)		(30,595)		(12,510)
Unrecognized tax benefits		1,332		3,455		7,797
Tax credits carryforward		2,797		—		—
Other		2,100		2,534		1,259
Benefits from (provision for) income taxes	\$	626	\$	(32,191)	\$	(203)

In the year ended December 31, 2023, the change in effective tax rates was due to an unrecognized tax benefit of \$1.3 million due to expiry of statute of limitations in other jurisdictions. There was also a significant valuation allowance recognized against our deferred tax assets which increased the tax expense, as part of the tax expense under “Other”, was for Swiss capital tax and recognition of deferred tax. The change in the effective tax rate was also affected by the mix of the tax rates in the various jurisdictions in which the Company’s entities generate taxable income.

Tax incentives include a preferential tax rate on gross income attributable to activities covered by Philippines Economic Zone Authority registrations in the Philippines. The Philippine net income attributable to all other activities will be taxed at the statutory Philippines corporate income tax rate, currently 25%. The earlier income tax holiday in the Philippines, granted for manufacturing lines, has since ended on January 1, 2020.

SunPower Malaysia Manufacturing Sdn. Bhd. enjoys a tax incentive in Malaysia where we manufacture our solar power products, subject to certain terms and conditions imposed by MIDA. The current tax incentive in Malaysia was granted to our former joint venture (now a wholly owned subsidiary). The full tax exemption for the third and final five-year tranche of this incentive was reinstated in fiscal year 2023, subject to meeting certain conditions, and will expire on June 30, 2026. The tax holiday resulted in an income tax benefit of \$32.2 million for the year ended December 31, 2023. The impact on a per share basis was a benefit of \$0.60 per share.

Maxeon Singapore received a Development and Expansion Incentive - International Headquarters Award (“DEI-IHQ”) from the Singapore Economic Development Board (“EDB”) with effect from January 1, 2021 and will allow qualifying activities to be taxed at a concessionary tax rate, subject to certain terms and conditions imposed by EDB. Maxeon Singapore requested to terminate the tax incentive but has yet to receive confirmation from EDB on the exact termination date. Hence, we continue to apply the concessionary tax rate and all other non-qualifying income will be taxed at the statutory Singapore corporate income tax rate of 17%.

### Deferred Tax Assets and Liabilities

Long-term deferred tax assets and liabilities are presented in the Consolidated Balance Sheets as follows:

(In thousands)	As of	
	December 31, 2023	January 1, 2023
<b>Deferred tax assets:</b>		
Net operating loss carryforwards	\$ 64,596	\$ 49,183
Tax credits carryforward	2,559	—
Reserves and accruals	17,380	17,643
Lease liabilities	4,724	4,023
Fixed assets	1,538	—
Others	1,744	—
<b>Total deferred tax assets</b>	<b>92,541</b>	<b>70,849</b>
Valuation allowance	(71,827)	(60,501)
<b>Total deferred tax assets, net of valuation allowance</b>	<b>20,714</b>	<b>10,348</b>
<b>Deferred tax liabilities:</b>		
Intangible assets and accruals	(585)	—
Reserves and accruals	(20,891)	(2,970)
Right-of-use assets	(4,295)	(3,802)
Fixed asset	(1,581)	(7,715)
Other	(363)	(426)
<b>Total deferred tax liabilities</b>	<b>(27,715)</b>	<b>(14,913)</b>
<b>Net deferred tax liabilities</b>	<b>\$ (7,001)</b>	<b>\$ (4,565)</b>

The Company's deferred tax assets primarily relate to timing differences that are expected to reverse and net operating losses. The foreign and domestic net operating losses are \$135.9 million and \$733.2 million, respectively. As of December 31, 2023, net operating losses were primarily comprised of: \$23.9 million and \$0.24 million from SPMY and SPJA, respectively, which expire in years 2032 through 2033; \$0.37 million from SPCHN which expires in year 2028; and \$844.6 million which can be carried forward indefinitely and are available for offset against future tax liabilities.

The Company has \$2.6 million of U.S. research tax credits, \$1.6 million which would expire in 2043 if not utilized.

### Valuation Allowance

In determining whether it is more likely than not that deferred tax assets are recoverable, the assessment is required to be done on a jurisdiction by jurisdiction basis; we believe that sufficient uncertainty exists with regard to the realizability of these assets such that a valuation allowance is necessary. Factors considered in providing a valuation allowance include the lack of a significant history of consistent profits, the lack of consistent profitability in the solar industry, the limited capacity of carrybacks to realize these assets, and other factors. Based on the absence of sufficient positive objective evidence, we are unable to assert that it is more likely than not that we will generate sufficient taxable income to realize net deferred tax assets. Should we achieve a certain level of profitability in the future, we may be able to reverse the valuation allowance which would result in a non-cash income statement benefit of \$71.8 million.

### Reinvestment of Unremitted Earnings

The Company may be subject to foreign withholding and other taxes on these undistributed earnings and may need to record a deferred tax liability for any outside basis difference. However, as of December 31, 2023, the calculated deferred tax liability is immaterial, thus, not booked.

As of December 31, 2023, the Company has undistributed earnings of certain foreign subsidiaries of approximately \$783.5 million that remain indefinitely reinvested, and as such has not recognized a deferred tax liability. The Company determined that any outside basis differences were immaterial as at December 31, 2023.

### Unrecognized Tax Benefits

Current accounting guidance contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits during fiscal years 2023, 2022, and 2021 is as follows:

(In thousands)	Fiscal Year		
	2023	2022	2021
Balance at beginning of period	\$ 33,861	\$ 34,695	\$ 39,506
Additions for tax positions related to the current year	(10,971)	10,971	1,186
Reduction of tax position relating to settlement with taxing authorities	—	(2,252)	(2,554)
Reductions for tax positions from prior years/statute of limitations expirations	(1,498)	(9,249)	(3,174)
Foreign exchange loss (gain)	249	(304)	(269)
Balance at end of period	\$ 21,641	\$ 33,861	\$ 34,695

The unrecognized tax benefits for fiscal years 2023, 2022, and 2021 are \$21.6 million, \$23.5 million, and \$34.7 million respectively, that if recognized, would impact our effective tax rate. Certain components of the unrecognized tax benefits are recorded against deferred tax asset balances.

We believe that events that could occur in the next 12 months and cause a change in unrecognized tax benefits include, but are not limited to, the following:

- commencement, continuation or completion of examinations of our tax returns by foreign taxing authorities; and
- expiration of statutes of limitation on our tax returns.

The calculation of unrecognized tax benefits involves dealing with uncertainties in the application of complex global tax regulations. Uncertainties include, but are not limited to, the impact of legislative, regulatory and judicial developments, transfer pricing and the application of withholding taxes. We regularly assess our tax positions in light of legislative, bilateral tax treaty, regulatory and judicial developments in the countries in which we do business. We determined that an estimate of the range of reasonably possible change in the amounts of unrecognized tax benefits within the next 12 months cannot be made.

*Classification of Interests and Penalties*

We accrue interest and penalties on tax contingencies which are classified as “Provision for income taxes” in our Consolidated Statements of Operations. Accrued interest and penalties as of December 31, 2023 and January 1, 2023 was \$0.5 million and \$0.9 million, respectively. Meanwhile, the interest and penalties recognized in “*Benefits from (Provision for) Income Taxes*” in the Consolidated Statements of Operations for fiscal year 2023 and 2022 was a credit of \$0.4 million and a charge of \$0.5 million, respectively.

*Tax Years and Examination*

Tax returns are filed in each jurisdiction in which we are registered to do business. In many countries in which we file tax returns, a statute of limitations period exists. After the statute of limitations period expires, the respective tax authorities may no longer assess additional income tax for the expired period. Similarly, we are no longer eligible to file claims for refund for any tax that we may have overpaid. We have a tax examination in Switzerland relating to the tax year 2020 as of December 31, 2023.

We do not expect the examinations to result in a material assessment outside of existing reserves. If a material assessment in excess of current reserves results, the amount that the assessment exceeds current reserves will be a current period charge to earnings.

**NOTE 14. COMMON STOCK**

On April 14, 2021, we announced a public offering to sell, subject to market and other conditions, \$125.0 million of ordinary shares through an underwritten public offering. Maxeon also granted the underwriters an option, to purchase up to an additional \$18.7 million of ordinary shares offered in the public offering on the same terms and conditions, at a public offering price of \$18.00 per share (together with the public offering, the “2021 Offering”). The option was exercised in full by the underwriters. 8,046,025 shares were issued during the 2021 Offering, with 59,914 shares issued to a third-party as payment for issuance cost incurred.

In addition, pursuant to a stock purchase agreement, dated April 13, 2021, TZE Maxeon agreed to sell to TZE 1,870,000 ordinary shares at \$18.00 per share, in the 2021 TZE Private Placement.

The 2021 Offering and the 2021 TZE Private Placement closed in April 2021. The net proceeds were approximately \$169.7 million after giving effect to the underwriting discounts and commissions as well as other issuance costs.

On May 19, 2023, the Company completed the Company Offering and the TotalEnergies Offering, each at a price per share of \$28.00.

In addition, pursuant to a share purchase agreement, dated May 16, 2023, Maxeon completed the 2023 TZE Private Placement with TZE SG. The net proceeds from the Company Offering and 2023 TZE Private Placement were approximately \$193.5 million after giving effect to the underwriting discounts and commissions, as well as other offering costs. The Company did not receive any proceeds from the TotalEnergies Offering.

On October 6, 2023, the Company paid the purchase price consideration of \$11.0 million through the issuance of 1,100,000 ordinary shares to SolarCA, a directly owned subsidiary of Complete Solaria, Inc. (“CSLR”) pursuant to an Asset Purchase Agreement entered into on September 19, 2023 with respect to the certain assets (the “Purchase Agreement”). Consequently, the SolarCA held 2.08% of the outstanding shares of the Company as of acquisition date. Transaction costs incurred to date were not material and were expensed as incurred. The financial results of SolarCA LLC prior to the acquisition date are not material to the consolidated financial results of the Company.

**Common Stock**

*Voting Rights - Common Stock*

All common stockholders are entitled to one vote per share on all matters submitted to be voted on by our stockholders.

*Dividends - Common Stock*

All common stockholders are entitled to receive equal per share dividends when and if declared by the Board of Directors.

**Shares Reserved for Future Issuance Under Equity Compensation Plans**

We had shares of common stock reserved for future issuance as follows:

<b>(In thousands)</b>	<b>As of</b>	
	<b>December 31, 2023</b>	<b>January 1, 2023</b>
Equity compensation plans	1,554	3,166

**NOTE 15. NET LOSS PER SHARE**

We calculate basic net loss per share by dividing earnings allocated to common stockholders by the basic weighted-average number of common shares outstanding for the period. Shares issued in connection with the Physical Delivery Forward are excluded for the purpose of calculating net loss per share after its reclassification from liability to equity at the end of the Note Valuation Period as this constitutes a share lending arrangement. Diluted weighted-average shares is computed using basic weighted-average number of common shares outstanding plus any potentially dilutive securities outstanding during the period using the treasury-stock-type method and the if-converted method, except when their effect is anti-dilutive. Potentially dilutive securities include stock options, restricted stock units, and the outstanding Notes. The following table presents the calculation of basic and diluted net loss per share attributable to stockholders:

<b>(In thousands, except per share data)</b>	<b>Fiscal Year Ended</b>		
	<b>December 31, 2023</b>	<b>January 1, 2023</b>	<b>January 2, 2022</b>
Net loss:			
Net loss attributable to stockholders	(275,829)	(267,424)	(254,520)
Number of shares:			
Basic and diluted weighted-average common shares <sup>(1)</sup>	46,387	40,920	37,457
Basic and diluted net loss per share <sup>(1)</sup>	(5.95)	(6.54)	(6.79)

<sup>(1)</sup> No adjustment is made to the numerator and denominator for fiscal years 2021, 2022 and 2023 as the inclusion of all potentially dilutive restricted stock units, common shares under the Green Convertible Notes and the 2027 Notes, where applicable, and prepaid forward would be anti-dilutive. Therefore, these were excluded from the computation of the weighted-average shares for diluted net loss per share.

The following is a summary of outstanding potentially dilutive securities that was excluded from diluted net loss per share attributable to stockholders in the following periods:



(In thousands)	Fiscal Year Ended		
	December 31, 2023	January 1, 2023	January 2, 2022
Restricted stock units	1,605	920	838
Green Convertible Notes	10,995	10,995	10,995
2027 Notes	8,949	8,949	—
Prepaid forward	2,528	2,528	2,528

#### NOTE 16. STOCK-BASED COMPENSATION

Stock-based compensation expense include expense attributable to the Company based on the awards and terms previously granted to the Company's employees. Unvested restricted stock unit awards and performance-contingent awards have been adjusted to provide holders with restricted stock units awards and performance-contingent awards under the Company's stock-based compensation plans.

##### *Equity Incentive Programs*

On August 3, 2020, the Board of Maxeon adopted the 2020 Omnibus Incentive Plan (the "2020 Plan"), which was approved by SunPower, the sole shareholder prior to the Spin-off, on August 4, 2020, authorizing an aggregate number of shares available for issuance as award was 3,889,754. The 2020 Plan allows for the grant of awards representing the right to acquire, or based on the value of, Maxeon's ordinary shares ("Maxeon Shares"), and includes non-statutory share options, share appreciation rights, restricted shares, restricted share units, and cash-based incentive awards. Replacement awards may also be granted under the Plan in substitution of awards of common stock of SunPower Corporation held by certain participants whose employment will be transferred to Maxeon. The 2020 Plan includes an automatic annual increase mechanism equal to three percent of the number of outstanding Maxeon Shares of all classes of Maxeon on the last day of the immediately preceding fiscal year or by a small number determined by the Board. On February 28, 2024, the Compensation Committee of the Board, through delegated authority, approved an additional 1,348,978 Ordinary Shares which will be available and authorized for issuance under the 2020 Plan, on top of the initial authorized number of shares and the automatic annual increase mechanism. Under the 2020 Plan, the restricted stock units typically vest in equal installments annually over four years. Starting from fiscal year 2023, awards granted vest in equal installments annually over three years.

During fiscal year 2023, the Company has granted the new issuance of Performance Share Unit with a number of PSUs to be vested after achieving performance targets which is based on market conditions for the respective performance period ("New PSU Grant"). The New PSU Grant shall vest in full, upon achieving the three-year performance target. The vesting of the award is subjected to continuous service through the applicable vesting date.

In addition to the New PSU Grant, the Company also rolled out the Transformation Performance Share Unit PSU Plan (the "Transformation PSU Plan") with a number of PSUs to be vested after achieving certain targets for the respective performance period ("Transformation PSU Grant"). 40% of the Transformation PSU Grant will vest in two equal annual installments, upon achieving the one-year target and 60% of the Transformation PSU Grant will vest in two equal annual installments, upon achieving the two-year target. The vesting of the award is subjected to continuous service through the applicable vesting date. The Transformation PSU Plan is introduced to replace the previous Transformation Incentive Plan ("TIP") that was granted in fiscal year 2022 which has since been terminated with the grant of the Transformation PSU Plan. The introduction of the Transformation PSU Plan modified the key terms and conditions of TIP Plan from performance-based condition to a market-based condition, and accordingly has been treated as modification of award from liability award to equity award. The modification affects 8 grantees that were previously qualified for the TIP Plan but does not result in a significant incremental compensation cost. Accordingly, the expected award value for TIP as of January 1, 2023 with carrying amount of \$1.7 million that was recorded in "Accrued liabilities" in the "Consolidated Balance Sheets" has been reversed out in fiscal year 2023.

The majority of shares issued are net of the minimum statutory withholding requirements that Maxeon pays on behalf our employees. During fiscal year 2023 and 2022, Maxeon withheld 7,864 and 32,875 shares to satisfy the

employees' tax obligations. Maxeon pays such withholding requirements in cash to the appropriate taxing authorities. Shares withheld are treated as common stock repurchases for accounting and disclosure purposes and reduce the number of shares outstanding upon vesting.

The following table summarizes the stock-based compensation expense by line item in the Consolidated Statements of Operations:

(In thousands)	Fiscal Year Ended		
	December 31, 2023	January 1, 2023	January 2, 2022
Cost of revenue	\$ 989	\$ 1,535	\$ 1,250
Research and development	3,279	1,513	352
Sales, general and administrative	14,058	11,532	5,629
Total stock-based compensation expense	<u>\$ 18,326</u>	<u>\$ 14,580</u>	<u>\$ 7,231</u>

For fiscal year 2023, 2022 and 2021, the net stock-based compensation expense capitalized to inventory \$2.0 million, \$0.2 million and nil, respectively.

The following table summarizes the non-vested restricted stock units' activities under the 2020 Plan:

(In thousands)	Restricted Stock Units	Performance Stock Units
	Shares	Shares
Outstanding as of January 1, 2023	1,741	213
Granted	1,866	1,606
Vested	(671)	(43)
Forfeited	(233)	(268)
Outstanding as of December 31, 2023	<u>2,703</u>	<u>1,508</u>

We estimate the fair value of our restricted stock awards and units at our stock price on the grant date. The weighted-average grant date fair value of restricted stock units and performance stock units granted under the 2020 Plan during fiscal year 2023, 2022 and 2021 was \$15.60, \$15.34 and \$25.51 respectively. The total fair value of restricted stock units and performance stock units vested under the 2020 Plan during fiscal year 2023, 2022 and 2021 was \$13.4 million, \$13.1 million and \$14.5 million, respectively.

As of December 31, 2023, the total unrecognized stock-based compensation related to outstanding restricted stock units and performance stock units was \$48.7 million, which we expect to recognize over a weighted-average period of 2.0 years.

#### NOTE 17. SEGMENT AND GEOGRAPHICAL INFORMATION

We determine operating segments based on how our chief operating decision maker ("CODM") manages the business, including making operating decisions, deciding how to allocate resources and evaluating operating performance. Our CODM is our Chief Executive Officer who reviews our operating results on a consolidated basis. We operate in a single operating segment and a single reportable segment based on the operating results available and evaluated regularly by our CODM to make decisions about resource allocation and assess performance. The following table summarizes the allocation of net revenue based on geography:

(In thousands)	Fiscal Year		
	2023	2022	2021
United States <sup>(1)</sup>	\$ 645,112	\$ 427,111	\$ 227,499
France	70,388	80,872	88,454
Italy	139,506	126,195	83,957
Rest of world <sup>(2)</sup>	268,104	425,935	383,369
Total revenue	\$ 1,123,110	\$ 1,060,113	\$ 783,279

<sup>(1)</sup> During fiscal years 2023, 2022 and 2021, we had sales of \$206.0 million, \$283.3 million and \$225.9 million, respectively, to SunPower representing the sale of solar modules to SunPower. The pricing term is based on the governing supply agreement with SunPower for the respective period.

<sup>(2)</sup> Revenue included under “Rest of the world” comprise of countries that are individually less than 10% for the periods presented.

Revenues are attributed primarily based on the destination of the shipments.

The following table summarizes the allocation of net property, plant, and equipment based on geography:

(In thousands)	As of	
	December 31, 2023	January 1, 2023
Malaysia	\$ 133,119	\$ 227,656
Mexico	72,572	82,056
Philippines	59,485	60,216
Europe	30	3,372
Singapore	11,857	4,519
United States	2,905	2,628
Rest of world	57	21
Property, plant, and equipment, net, by geography	\$ 280,025	\$ 380,468

Long-lived assets are attributed based upon the country in which the asset is located or owned.

#### NOTE 18. ACQUISITION OF CERTAIN ASSETS

On October 6, 2023, the Company paid the purchase price consideration of \$11.0 million through the issuance of 1,100,000 ordinary shares, no par value, to SolarCA, a directly owned subsidiary of CSLR pursuant to the September 19, 2023 Purchase Agreement with SolarCA and CSLR with respect to the certain assets. Consequently, SolarCA held 2.08% of the outstanding shares of the Company as of acquisition date. The financial results of SolarCA LLC prior to the acquisition date are not material to the consolidated financial results of the Company.

The Company has determined that the acquisition constitutes a business acquisition as defined by ASC 805, *Business Combinations*. Accordingly, the assets acquired were recorded at their acquisition date estimated fair value, while the transaction costs associated with the acquisition were expensed as incurred pursuant to the purchase method of accounting in accordance with ASC 805.

The Company’s purchase price allocation was based on an evaluation of the appropriate fair values by an independent appraiser. Fair values were determined based on the requirements of ASC 820, *Fair Measurements*.

Acquired assets with finite lives will be amortized using the straight-line method of the respective lives of each assets and goodwill will be tested for impairment at least annually (Note 6. *Balance Sheet Components - Goodwill*). The following table summarize the allocation of fair value of assets acquired.

	As of December 31, 2023
Customers relationship <sup>(1)</sup>	\$ 2,600
Trademarks <sup>(2)</sup>	510
Total identifiable net assets	3,110
Goodwill	7,879
	<u>\$ 10,989</u>

<sup>(1)</sup> Customer relationships represents the fair value of customer loyalty determined based on existing relationships using the income approach, specifically the multi-period excess earnings method.

<sup>(2)</sup> Trademarks represents the fair value of benefits associated with the brand and is determined based on the income approach using relief from royalty method.

#### NOTE 19. SUBSEQUENT EVENT

##### *Divesting of Equity Interest in HSPV*

On April 26, 2024, the Company, through its subsidiary, SunPower Manufacturing Corporation Limited, entered into an equity transfer agreement with Zhonghuan Hong Kong Holding Limited, a subsidiary of TZE, Maxeon's largest shareholder, for the sale of all of the Company's minority interest (approximately 16.27%) in HSPV, a joint venture established by SunPower Corporation, TZE and other former partner in 2016. The aggregate consideration for the sale of the Company's interest in HSPV and for the New IP License (as described below) granted by the Company to TZE SG, a subsidiary of TZE, is approximately \$34.0 million. In conjunction with the sale of the Company's interest in HSPV, the following agreements were entered with HSPV and its affiliates on the same date:

- i. the Company's subsidiary, Maxeon Solar Private Limited, entered into a non-exclusive and non-transferable intellectual property license agreement with TZE SG to enable HSPV and other subsidiaries of TZE, to develop, manufacture and sell large scale P-Series solar modules worldwide (other than in the United States) and to develop and manufacture rooftop size P-Series solar modules ("DG Products") exclusively for Maxeon to sell worldwide, for an upfront license fee of \$10 million ("New IP License Agreement"). Under the New IP License Agreement, the Company and TZE will jointly review licensing and enforcement of intellectual property relating to P-Series solar modules, other than enforcement of patents registered in the United States, and the Company will share a certain percentage of licensing fees and/or awards from any enforcement actions relating to P-Series solar modules outside of the United States with TZE.
- ii. the Company and certain of its subsidiaries entered into a termination agreement on with TZE, HSPV and certain other subsidiaries of TZE to terminate (a) the intellectual property license agreement dated February 22, 2017 between the Company and HSPV, (b) the intellectual property license agreement dated February 8, 2021 between the Company and HSNE, (c) the amended and restated business activities framework agreement dated February 8, 2021 between the Company and its subsidiary, HSPV, HSNE, and TZE, (d) the amended and restated offshore master supply agreement dated February 8, 2021 between the Company and its subsidiary, HSPV and HSNE and (e) the temporary intellectual property licensing and business

collaboration agreement dated October 22, 2022 between the Company and its subsidiary, TZE, HSPV, HSNE and HSTJ.

- iii. on April 26, 2024, the Company, HSPV and HSNE entered into a new master supply agreement (the “2024 HSPV Master Supply Agreement”), pursuant to which the Company will purchase and HSPV and HSNE will exclusively supply Maxeon with DG Products. The 2024 HSPV Master Supply Agreement provides that the pricing of DG Products will be subject to an indexed pricing mechanism, volumes are to be determined based on a rolling demand forecast and purchase orders issued periodically subject to approvals from our Board. The 2024 Master Supply Agreement also provides for notice to be given to the Company before any DG Products are discontinued and includes terms relating to operational management, supply chain management, inspection, representations and warranties, and legal compliance. HSPV and HSNE other TZE subsidiaries may sell P-Series solar modules that are of a larger format than the DG Products.

#### ***Termination of Certain Customer Contracts***

Maxeon Solar Pte. Ltd. (“MSPL”) a wholly-owned subsidiary of the Company and Origis Procurement, LLC, a subsidiary of Origis Energy (“Origis”) have exchanged letters (i) on May 14, 2024, from MSPL, terminating that certain Solar Module Supply Agreement, dated December 22, 2023 (the “SMSA”) together with the two outstanding Purchase Orders due to Origis’ failure to purchase any modules as required by contract and (ii) on May 27, 2024, from Origis, who sent the Company a notice purporting to terminate the SMSA for Origis’ convenience, claiming that Origis’ liability to Maxeon was to pay contractually-required Cancellation Amounts, net of all amounts paid by Origis.

#### ***Debt Restructuring Transactions***

On May 30, 2024, the Company entered into agreements with TZE SG and certain holders of the Green Convertible Notes relating to the following transactions (the “Debt Restructuring Transactions”):

- Bridge financing: On May 30, 2024, the Company also entered into a convertible notes purchase agreement (the “Bridge NPA”) with TZE SG providing for the sale by the Company, at the Company’s option, and purchase by TZE SG, of \$25 million in aggregate principal amount of the Company’s existing 7.50% Convertible First Lien Senior Secured Notes due 2027 (the “Existing 1L Notes”) (such additional amount of notes, the “Additional Existing 1L Notes”), at a purchase price of \$25.0 million. The Company will deliver a draw notice to TZE SG under the Bridge NPA, and the issuance and sale of the Additional Existing 1L Notes is expected to occur on May 31, 2024, subject to the satisfaction or waiver of the conditions set forth in the Bridge NPA. The proceeds from the sale of the Additional Existing 1L Notes will be used for general corporate purposes.
- Private exchange of Green Convertible Notes for new convertible second lien senior notes and warrants: On May 30, 2024, the Company entered into exchange agreements (each, an “Exchange Agreement”) with certain holders (the “2025 Noteholders”) of the Company’s outstanding 6.50% Green Convertible Senior Notes due 2025 (the “Existing 2025 Notes”), pursuant to which the Company agreed to acquire an aggregate of \$196 million of the Existing 2025 Notes, representing approximately 98% of the outstanding principal amount of the Existing 2025 Notes. In accordance with the Exchange Agreements, subject to the terms and conditions set forth therein, for each \$1,000 principal amount of Existing 2025 Notes so acquired, each holder thereof will receive (i) (x) \$700 principal amount of Tranche A Notes of the Company’s new Adjustable-Rate Convertible Second Lien Senior Secured Notes due 2028 (the “Tranche A Exchange Notes”), (y) \$300 principal amount of Tranche B Notes of the Company’s new Adjustable-Rate Convertible Second Lien Senior Secured Notes due 2028 (the “Tranche B Exchange Notes,” and together with Tranche A Exchange Notes, the “Exchange Notes”), and (z) additional Tranche B Exchange Notes, equal to the amount of accrued and unpaid interest on such Existing 2025 Notes to, but not including, the date on which the closing of the transactions contemplated by the Exchange Agreement occurs (the “Exchange Closing Date”), and (ii) warrants (the “Exchange Warrants” and together with the Exchange Notes, the “Exchange Securities”) granting such holder the right to purchase ordinary shares, no par value,

of the Company subject to the terms and conditions set forth therein. The Exchange Closing Date is subject to the satisfaction or waiver of the conditions set forth in the Exchange Agreements. Upon the occurrence of an Optional Exchange Triggering Event (as defined in the indenture governing the Exchange Notes), the Company will have the right, at its election, to exchange all of the outstanding Tranche A Exchange Notes for ordinary shares of the Company, upon the terms and subject to the conditions set forth in the indenture governing the Exchange Notes.

- Issuance of new convertible first lien senior notes and penny warrants to TZE SG: On May 30, 2024, the Company entered into a securities purchase agreement (the “SPA”) with TZE SG in connection with (i) the sale by the Company and purchase by TZE SG of up to \$97.5 million in aggregate principal amount of the Company’s new 9.00% Convertible First Lien Senior Secured Notes due 2029 (the “New 1L Notes”), at a purchase price of \$95.0 million, and (ii) the issuance of a warrant (the “TZE SG Warrant”) for no additional consideration granting TZE SG the right to purchase certain ordinary shares of the Company. The issuance and sale of the New 1L Notes and the TZE SG Warrant is expected to occur in June 2024 (the “SPA Closing Date”), subject to the satisfaction of certain conditions, including the consummation of the private exchange described above and receipt of certain regulatory approvals. Any Additional Existing 1L Notes issued pursuant to the Bridge NPA and outstanding on the SPA Closing Date will be exchanged for New 1L Notes on a dollar-for-dollar basis, \$2.5 million in principal amount of such New 1L Notes shall be issued to the Investor as reimbursement for certain fees paid by the Investor on behalf of the Company to a global consulting firm for services rendered and the remainder of the \$97.5 million aggregate principal amount of New 1L Notes will be purchased by TZE SG for cash. The proceeds from the sale of the New 1L Notes will be used for general corporate purposes.
- In addition, the Company entered into a termination agreement (the “Termination Agreement”) with TotalEnergies Marketing Services (“TEMS”) pursuant to which the Company and TEMS mutually agreed to terminate the Photovoltaic Equipment Supply Master Agreement, dated as of November 9, 2016 (the “Supply Agreement”), and Amended & Restated Initial Implementing Agreement, dated as of February 22, 2021 (together with the Supply Agreement, the “Solarization Agreement”). The termination of each Solarization Agreement will become effective upon the issuance by the Company to TEMS of Tranche B Exchange Notes in an aggregate principal amount equal to approximately US\$16.2 million. Upon such issuance, the Company shall be discharged and released in full of its obligation and liabilities of any kind under the Solarization Agreements and TEMS shall fully, unconditionally and irrevocably release and discharge the security interest in certain assets of a subsidiary of the Company located in Mexico.

## **Description of Rights of Ordinary Shares Registered under Section 12 of the Securities Exchange Act of 1934 (the “Exchange Act”)**

*This Exhibit contains a description of the rights of the holders of our ordinary shares. This description also summarizes relevant provisions of Singapore law. The following summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of Singapore law and our constitution, a copy of which is incorporated by reference as Exhibit 1.1 to the Annual Report on Form 20-F, of which this Exhibit 2.7 is a part. We encourage you to read our constitution and the applicable provisions of Singapore law for additional information. Capitalized terms used but not defined herein have the meanings given to them in Maxeon’s annual report on Form 20-F for the year ended January 1, 2023.*

### **General**

Our issued and outstanding share capital consists of ordinary shares. We have 45,067,059 ordinary shares issued and outstanding as of February 24, 2023, excluding 4,440,078 ordinary shares reserved for future grants under our share incentive plans. We currently only have one class of issued ordinary shares, which have identical rights in all respects and rank equally with one another.

For the purposes of this section, references to “shareholders” mean those shareholders whose names and number of shares are entered in our register of members. Only persons who are registered in our register of members are recognized under Singapore law as our shareholders. As a result, save as provided under the Shareholders Agreement, only registered shareholders have legal standing under Singapore law to institute shareholder actions against us or otherwise seek to enforce their rights as shareholders.

### **Ordinary Shares**

Our ordinary shares have no par value as there is no concept of authorized share capital under Singapore law. All shares presently issued are fully paid and existing shareholders are not subject to any calls on shares. Although Singapore law does not recognize the concept of “non-assessability” with respect to newly-issued shares, we note that any subscriber of our ordinary shares who has fully paid up all amounts due with respect to such ordinary shares will not be subject under Singapore law to any personal liability to contribute to our assets or liabilities in such subscriber’s capacity solely as a holder of such ordinary shares. We believe this interpretation is substantively consistent with the concept of “non-assessability” under the Delaware General Corporation Law, which provides that a share of a Delaware corporation’s common stock is fully paid and non-assessable if such share has been issued for consideration having a value at least equal to the par value of such share and if the holder is not required to contribute additional amounts of capital or pay additional amounts to the corporation with respect to such share. We cannot, except in the circumstances permitted by the Singapore Companies Act 1967 (the “Singapore Companies Act”), grant any financial assistance for the acquisition or proposed acquisition of our own ordinary shares. Except as described below in “—Singapore Code on Take-Overs and Mergers”, there are no limitations in our constitution or Singapore law on the rights of shareholders not resident in Singapore to hold or vote in respect of our ordinary shares.

### **Transfer Agent and Registrar**

The transfer agent and registrar for our ordinary shares is Computershare Trust Company, N.A..

### **Nasdaq Global Market**

Our ordinary shares are listed for quotation on The Nasdaq Global Market under the symbol “MAXN”.

### **New Shares**

Under Singapore law, new shares may be issued only with the prior approval of our shareholders in a general meeting. General approval may be sought from our shareholders in a general meeting for the issue of shares. Approval, if granted, will lapse at the earlier of:

- the conclusion of the next annual general meeting;
- the expiration of the period within which the next annual general meeting is required by law to be held (i.e., within six months of our financial year end); and

- any subsequent revocation or variation of such approval by our shareholders in a general meeting.

Subject to this and the provisions of the Singapore Companies Act, our Constitution and the Shareholders Agreement, all new shares are under the control of the Maxeon Board who may allot and issue new shares to such persons on such terms and conditions and with the rights and restrictions as they may think fit to impose.

### **Preference Shares**

Under the Singapore Companies Act, different classes of shares in a public company may be issued only if (a) the issue of the class or classes of shares is provided for in the constitution of the public company and (b) the constitution of the public company sets out in respect of each class of shares the rights attached to that class of shares. Subject to the Shareholders Agreement, our Constitution provides that we may issue shares of a different class with preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Maxeon Board may determine from time to time, and that such shares may be issued which are, or at the option of the Company are, liable to be redeemed (on such terms and manner of redemption as determined by the Maxeon Board) provided that the terms of such preference shares are set out in the Constitution, and is approved by special resolution at a general meeting of our shareholders.

We may, subject to the Shareholders Agreement, Singapore Companies Act and the prior approval in a general meeting of our shareholders, issue preference shares which are, or at our option, subject to redemption provided that such preference shares may not be redeemed out of capital unless:

- all the directors have made a solvency statement in relation to such redemption; and
- we have lodged a copy of the solvency statement with ACRA.

Further, the shares must be fully paid-up before they are redeemed.

### **Register of Members**

Persons who are registered in our register of members will be recognized as members of the Company with the corresponding rights of members under applicable law and the Constitution. We will not, except as required by applicable law, recognize any equitable, contingent, future or partial interest in any ordinary share or other rights for any ordinary share other than the absolute right thereto of the registered holder of that ordinary share. We may close our register of members for any time or times, provided that our register of members may not be closed for more than 30 days in the aggregate in any calendar year. We typically will close our register of members to determine shareholders' entitlement to receive dividends and other distributions.

Maxeon shares listed and traded on NASDAQ, are held through The Depository Trust Company ("DTC"). Accordingly, DTC or its nominee, Cede & Co., will be the shareholder on record registered in our register of members. The holders of Maxeon shares held in book-entry interests through DTC or its nominee may become a registered shareholder by exchanging its interest in such shares for certificated ordinary shares and being registered in our register of members in respect of such shares. The procedures by which a holder of book-entry interests held through the facilities of the DTC may exchange such interests for certificated ordinary shares are determined by DTC (including the broker, bank, nominee or other institution that holds the shares within DTC) and Computershare, which will act as our transfer agent, in accordance with their internal policies and guidelines regulating the withdrawal and exchange of book-entry interests for certificated ordinary shares.

If (a) the name of any person is without sufficient cause entered in or omitted from the register of members; or (b) default is made or there is unnecessary delay in entering in the register of members the fact of any person having ceased to be a member, the person aggrieved or any member of the company or the company, may apply to the Singapore courts for rectification of the register of members. The Singapore courts may either refuse the application or order rectification of the register of members, and may direct the company to pay any damages sustained by any party to the application. The Singapore courts will not entertain any application for the rectification of a register of members in respect of an entry which was made in the register of members more than 30 years before the date of the application.

### **Transfer of Ordinary Shares**

Subject to the Shareholders Agreement, applicable securities laws in relevant jurisdictions and our Constitution, our shares are freely transferable, fully paid and are not subject to further capital calls. Shares may be transferred by a duly signed instrument of transfer in any usual or common form or in a form acceptable to our directors and any applicable stock exchange. The Maxeon Board may decline to register any transfer unless, among other things, evidence of payment of any stamp duty payable with respect to the transfer is provided together with other evidence as the directors may reasonably require to show the right of the transferor to make



the transfer and, if the instrument of transfer is executed by some other person on his or her behalf, the authority of the person to do so. We will replace lost or destroyed certificates for shares upon notice to us and upon, among other things, the applicant furnishing evidence and indemnity as the directors may require and the payment of all applicable fees.

Shareholders who hold Maxeon shares electronically in book-entry form through the facilities of the DTC and that wish to become registered shareholders must contact the broker, bank, nominee or other institution that holds their shares and complete a transfer of these shares from DTC to themselves (by transferring such shares to an account maintained by Computershare, our transfer agent and registrar) according to the procedures established by DTC, such broker, bank, nominee or other institution and Computershare.

### **Election and Re-election of Directors**

Under our Constitution, our shareholders by ordinary resolution, or the Maxeon Board, may appoint any person to be a director as an additional director or to fill a casual vacancy, provided that any person so appointed by the Maxeon Board shall hold office only until the next annual general meeting, and shall then be eligible for re-election, subject to the Shareholders Agreement. See also "Item 6.C. Board Practices".

### **Shareholders' Meetings**

We are required to hold an annual general meeting within six months after the end of each financial year. Our previous financial year ended on January 1, 2023 and subsequent financial years will end on the last day of a period of 12 months after the end of the previous financial year. The Maxeon Board may convene an extraordinary general meeting whenever they think fit and they must do so upon the written request of shareholders holding not less than one-tenth of the paid-up shares as at the date of deposit carries the right to vote at general meetings (disregarding paid-up capital held as treasury shares). In addition, two or more shareholders holding not less than one-tenth of our total number of issued shares (excluding our treasury shares) may call a meeting of our shareholders. The Singapore Companies Act requires not less than:

- 14 days' written notice to be given by us of a general meeting to pass an ordinary resolution; and
- 21 days' written notice to be given by us of a general meeting to pass a special resolution,

to every member. Our Constitution further provides that in computing the notice period, both the day on which the notice is served, or deemed to be served, and the day on which the meeting is to be held shall be excluded.

The Singapore Companies Act provides that a shareholder is entitled to attend any general meeting and speak on any resolution put before the general meeting. Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring the affirmative vote of a simple majority of the shareholders present in person or represented by proxy at the meeting and entitled to vote on the resolution. An ordinary resolution suffices, for example, for appointments of directors. A special resolution, requiring an affirmative vote of not less than three-fourths of the shareholders present in person or represented by proxy at the meeting and entitled to vote on the resolution, is necessary for certain matters under Singapore law, such as an alteration of our Constitution.

### **Voting Rights**

Voting at any meeting of shareholders is by a show of hands unless a poll is required by the rules and regulations of any applicable stock exchange or duly demanded before or on the declaration of the result of the show of hands. If voting is by a show of hands, every shareholder who is entitled to vote and who is present in person or by proxy at the meeting has one vote. On a poll, every shareholder who is present in person or by proxy or by attorney, or in the case of a corporation, by a representative, has one vote for every share held by such shareholder or which such shareholder represents. Proxies need not be shareholders.

Only those shareholders who are registered in our register of members will be entitled to vote at any meeting of shareholders. Where our shares are held through the facilities of the DTC, DTC will grant an omnibus proxy to DTC participants holding Maxeon shares in book-entry form through a broker, bank, nominee, or other institution that is a direct or indirect participant of DTC. Such shareholders will have the right to instruct their broker, bank, nominee or other institution holding these shares on how to vote such shares by completing the voting instruction form provided by the applicable broker, bank, nominee, or other institution. Whether voting is by a show of hands or by a poll, DTC's vote will be voted by the chairman of the meeting according to the results of the votes of the DTC participants (which results will reflect the instructions received from shareholders that own Maxeon shares electronically in book-entry form). In the case of a tie vote, the chairman of the meeting shall be entitled to a casting vote.

## **Dividends**

All of our shareholders have the right to participate in any dividends. We have no current plans to pay annual or semi-annual cash dividends. However, although we have no plan to do so, in the event that we divest a portion of, or our entire equity interest in, any of our businesses, we may distribute such cash proceeds or declare a distribution-in-kind of shares in our businesses. Under Singapore law, no dividend may be paid except out of profits. Any dividends would be limited by the amount of available distributable reserves, which, under Singapore law, will be assessed on the basis of our standalone unconsolidated accounts (which will be based upon the Singapore Financial Reporting Standards (International)). However, under Singapore law, it is possible to effect a capital reduction exercise to return cash and/or assets to our shareholders. The completion of a capital reduction exercise can be effected in several ways, including by a special resolution of shareholders and the signing of a solvency statement by the directors and pursuant to such other conditions as set out in the Singapore Companies Act or pursuant to the approval of the Singapore Courts, and we may not be successful in our attempts to obtain such approval.

Additionally, because we are a holding company, our ability to pay cash dividends, or declare a distribution-in-kind of the ordinary shares of any of our businesses, may be limited by restrictions on our ability to obtain sufficient funds through dividends from our businesses, including restrictions under the terms of the agreements governing the indebtedness of our businesses. Subject to the foregoing, the payment of cash dividends in the future, if any, will be at the discretion of the Maxeon Board and will depend upon such factors as earnings levels, capital requirements, contractual restrictions, our overall financial condition, available distributable reserves and any other factors deemed relevant by the Maxeon Board. Generally, a final dividend is declared out of profits disclosed by the accounts presented to the annual general meeting, and requires approval of our shareholders. However, the Maxeon Board may declare interim dividends without approval of our shareholders.

## **Reserves**

The Maxeon Board may from time to time set aside out of the profits of Maxeon and reserve such sums as they think proper which, at the discretion of the Maxeon Board, shall be applicable for any purpose to which the profits of Maxeon may properly be applied and pending such application may either be employed in the business of Maxeon or be invested. The Maxeon Board may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided or, without placing the same to reserve, carry forward any profits, subject to applicable laws.

## **Bonus and Rights Issues**

In a general meeting, our shareholders may, upon the recommendation of the directors, capitalize any reserves or profits and distribute them as fully paid bonus shares to the shareholders in proportion to their shareholdings.

## **Singapore Code on Take-Overs and Mergers**

The Singapore Take-overs Code regulates, among other things, the acquisition of voting shares of Singapore-incorporated public companies with more than 50 shareholders and net tangible assets of S\$5.0 million or more. Any person acquiring an interest, whether by a series of transactions over a period of time or not, either on the person's own or together with parties acting in concert with such person, in 30% or more of our voting shares, or, if such person holds, either on the person's own or together with parties acting in concert with such person, between 30% and 50% (both amounts inclusive) of our voting shares, and if such person (or parties acting in concert with such person) acquires additional voting shares representing more than 1% of our voting shares in any six-month period, must, except with the consent of the Securities Industry Council of Singapore, extend a mandatory take-over offer for all the remaining voting shares in accordance with the provisions of the Singapore Take-overs Code. Responsibility for ensuring compliance with the Singapore Take-overs Code rests with parties (including company directors) to a take-over or merger and their advisors.

Under the Singapore Take-overs Code, "parties acting in concert" comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by

any of them of shares in a company, to obtain or consolidate effective control of that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They include:

- a company and its parent company, subsidiaries or fellow subsidiaries (together, the related companies), the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- a company and its directors (together with their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- a company and its pension funds and employee share schemes;
- a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis but only in respect of the investment account which such person manages;
- a financial or other professional advisor, including a stockbroker, and its clients in respect of shares held by the advisor and persons controlling, controlled by or under the same control as the advisor;
- directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;
- partners; and
- an individual and such person's close relatives, related trusts, any person who is accustomed to act in accordance with such person's instructions and companies controlled by the individual, such person's close relatives, related trusts or any person who is accustomed to act in accordance with such person's instructions and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights.

Subject to certain exceptions, a mandatory take-over offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror during the offer period and within the six months prior to its commencement.

Under the Singapore Take-overs Code, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. In the case where our company has more than one class of equity share capital, a comparable take-over offer must be made for each class of shares in accordance with the Singapore Take-overs Code and the Securities Industry Council of Singapore should be consulted in advance in such cases. In addition, an offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the take-over offer must be given sufficient information, advice and time to enable them to make an informed decision on the offer. These legal requirements may impede or delay a take-over of our company by a third party.

The Singapore Take-overs Code generally provides that the board of directors of the offeree company should bring an offer to its shareholders in accordance with the Singapore Take-overs Code and refrain from an action which will deny the shareholders from the possibility to decide on the offer.

On January 30, 2020, the Securities Industry Council of Singapore waived application of the Singapore Take-overs Code to us, subject to certain conditions. Pursuant to the waiver, for as long as we are not listed on a securities exchange in Singapore, and except in the case of a tender offer (within the meaning of U.S. securities laws) where the Tier 1 Exemption is available and the offeror relies on the Tier 1 Exemption to avoid full compliance with the tender offer rules promulgated under the Exchange Act, the Singapore Take-overs Code shall not apply to us. In connection with receipt of the waiver, the SunPower Board submitted to the Securities Industry Council of Singapore a written confirmation to the effect that it is in the interests of SunPower shareholders who will become holders of Maxeon shares as a result of the Spin-off that a waiver of the provisions of the Singapore Take-overs Code is obtained.

#### **Liquidation or Other Return of Capital**

On a winding-up or other return of capital, subject to any special rights attaching to any other class of shares and preferential rights under law, holders of shares will be entitled to participate in any surplus assets in proportion to their shareholdings.

#### **Limitations on Rights to Hold or Vote Ordinary Shares**

Except as discussed above under “—Singapore Code on Take-overs and Mergers,” there are no limitations imposed by the laws of Singapore or by our Constitution on the right of non-resident shareholders to hold or

vote with respect to ordinary shares, nor does our Constitution discriminate against any existing or prospective shareholder as a result of such shareholder owning a substantial number of Maxeon shares.

#### **Limitations of Liability and Indemnification Matters**

Pursuant to the Singapore Companies Act, any provision (whether in the constitution, a contract with the company or otherwise) that purports to exempt or indemnify the officers of a company (including directors) (to any extent) against any liability which by law would otherwise attach to them in connection with any negligence, default, breach of duty or breach of trust, of which they may be guilty in relation to the company is void. However, the Singapore Companies Act specifically provides that we are allowed to:

- purchase and maintain for any officer insurance against any liability which by law would otherwise attach to such officer in respect of any negligence, default, breach of duty or breach of trust of which such officer may be guilty in relation to us;
- indemnify any officer against liability incurred by the officer to a person other than the company, except when the indemnity is against: (a) any liability of the officer to pay: (i) a fine in criminal proceedings; or (ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or; (b) any liability incurred by the officer: (i) in defending criminal proceedings in which the officer is convicted; (ii) in defending civil proceedings brought by the company or a related company in which judgment is given against the officer; or (iii) in connection with an application for relief under Sections 76A(13) or 391 of the Singapore Companies Act in which the court refuses to grant the officer relief;
- indemnify any auditor against any liability incurred or to be incurred by such auditor in defending any proceedings (whether civil or criminal) in which judgment is given in such auditor's favor or in which such auditor is acquitted; or
- indemnify any auditor against any liability incurred or to be incurred by such auditor in connection with any application under Sections 76A(13) or 391 of the Singapore Companies Act in which relief is granted to such auditor by the court.

Our Constitution provides that, subject to the provisions of the Singapore Companies Act and any other applicable law, every director, chief executive officer, auditor, secretary or other officer of our company shall be entitled to be indemnified by our company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him or her in the execution and discharge of his or her duties or in relation thereto and in particular and without prejudice to the generality of the foregoing, no director, secretary or other officer of our company shall be liable for the acts, receipts, neglects or defaults of any other director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to our company through the insufficiency or deficiency of title to any property acquired by order of the directors for or on behalf of our company or for the insufficiency or deficiency of any security in or upon which any of the moneys of our company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen to or be incurred by our company in the execution of the duties of his or her office or in relation thereto unless the same shall happen through his or her own negligence, willful default, breach of duty or breach of trust.

The limitation of liability and indemnification provisions in our Constitution may discourage shareholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our shareholders. A shareholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable.

#### **Shareholders' Agreement and Registration Rights Agreement**

See "Item 7.B. Related Party Transactions— Agreements with SunPower, TZE and TotalEnergies in Connection with the Spin-off." of this Form 20-F.

**Comparison of Shareholder Rights**

The information in this section has been included previously in our registration statement on Amendment No. 2 to Form 20-F (File No. 001-39368) filed with the SEC on July 31, 2020 and has not changed since, and therefore is incorporated by reference to that registration statement.

## SUPPLEMENTAL INDENTURE No. 4

SUPPLEMENTAL INDENTURE No. 4 (this “Supplemental Indenture”) dated as of November 13, 2023 among Maxeon Solar Technologies, Ltd. (or its successor) (the “Company”), Deutsche Bank Trust Company Americas, as trustee (the “Trustee”), and DB Trustees (Hong Kong) Limited as collateral trustee (the “Collateral Trustee”), under the indenture referred to below.

WHEREAS the Company (or its successor) has heretofore executed and delivered to the Trustee and the Collateral Trustee an indenture (as amended by (a) that certain Supplemental Indenture No. 1, dated September 30, 2022, by and among the Company, the Trustee and the Collateral Trustee, (b) that certain Supplemental Indenture No. 2, dated October 14, 2022, by and among the Company, the New Guarantor (as defined therein), the Trustee and the Collateral Trustee and (c) that certain Supplemental Indenture No. 3, dated October 14, 2022, by and among the Company, SunPower Philippines Manufacturing Ltd., the Trustee, the Collateral Trustee and the Supplemental Collateral Trustee named therein, and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Indenture”) dated as of August 17, 2022, providing for the issuance of the Company’s 7.50% Convertible First Lien Senior Secured Notes (the “Notes”), initially in an aggregate principal amount of \$207,000,000;

WHEREAS the Indenture provides that, pursuant to Section 8.02 of the Indenture, the Company and the Trustee may, subject to Sections 8.01, 8.03, 7.05 and 7.08 of the Indenture and clauses (i) to (x) of Section 8.02(A) of the Indenture, amend or supplement any provision of the Indenture with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding;

WHEREAS pursuant to an Acknowledgement Letter to a Letter of Consent, dated November 11, 2023, Zhonghuan Singapore Investment and Development Pte. Ltd., in its capacity as the Holder of \$207,000,000 principal amount of the Notes, representing 100% of the outstanding principal amount of the Notes, consents to the execution and delivery of this Supplemental Indenture and the amendments to the Indenture set forth herein; and

WHEREAS pursuant to Section 8.02 of the Indenture, the Trustee, the Collateral Trustee and the Company are authorized to execute and deliver this Supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, the Trustee and the Collateral Trustee mutually covenant and agree for the equal and ratable benefit of the Holders (as defined in the Indenture) as follows:

1. **Defined Terms.** As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. **Amendments to Schedule 1.01 of the Indenture.** Paragraph 7 of Schedule 1.01 of the Indenture is hereby deleted in its entirety and replaced with the following:

“7. [Reserved].”

3. **Ratification of Indenture; Supplemental Indentures Part of Indenture.** Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder shall be bound hereby.

4. **Governing Law.** THIS SUPPLEMENTAL INDENTURE AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS SUPPLEMENTAL INDENTURE, IS GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

5. **Trustee and Collateral Trustee Make No Representation.** The Trustee and the Collateral Trustee make no representation as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals contained herein, all of which recitals are made solely by the other parties hereto.

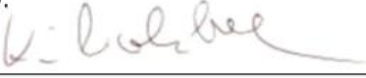
6. **Counterparts.** The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. **Effect of Headings.** The Section headings herein are for convenience only and shall not affect the construction thereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

MAXEON SOLAR TECHNOLOGIES,  
LTD.

By:  \_\_\_\_\_

Name: Kai Strohbecke

Title: Authorised Signatory

DEUTSCHE BANK TRUST COMPANY  
AMERICAS, AS TRUSTEE, REGISTRAR,  
PAYING AGENT, CONVERSION AGENT

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

DB TRUSTEES (HONG KONG)  
LIMITED, AS COLLATERAL TRUSTEE

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

[Signature Page to Supplemental Indenture]

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

MAXEON SOLAR TECHNOLOGIES,  
LTD.

By: \_\_\_\_\_  
Name:  
Title:

DEUTSCHE BANK TRUST COMPANY  
AMERICAS, AS TRUSTEE, REGISTRAR,  
PAYING AGENT, CONVERSION AGENT

	<small>DocuSigned by:</small>	<small>DocuSigned by:</small>
By:	<i>Carol Ng</i>	<i>Chris Niesz</i>
Name:	<small>738039448A5B420...</small> Carol Ng	<small>A896B09073164DA...</small> Chris Niesz
Title:	Vice President	Vice President

By: \_\_\_\_\_  
Name:  
Title:

DB TRUSTEES (HONG KONG)  
LIMITED, AS COLLATERAL TRUSTEE

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

[Signature Page to Supplemental Indenture]

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

**MAXEON SOLAR TECHNOLOGIES,  
LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**DEUTSCHE BANK TRUST COMPANY  
AMERICAS, AS TRUSTEE, REGISTRAR,  
PAYING AGENT, CONVERSION AGENT**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**DB TRUSTEES (HONG KONG)  
LIMITED, AS COLLATERAL TRUSTEE**

By:   
Name: Christina Nip  
Title: Authorised Signatory

By:   
Name: LAU, Tung Tung Christy  
Title: Authorised Signatory

[Signature Page to Supplemental Indenture]



## SUPPLEMENTAL INDENTURE No. 5

SUPPLEMENTAL INDENTURE No. 5 (this “Supplemental Indenture”) dated as of January 30, 2024 among Maxeon Solar Technologies, Ltd. (or its successor) (the “Company”) and Deutsche Bank Trust Company Americas, as trustee (the “Trustee”) under the indenture referred to below.

WHEREAS the Company (or its successor) has heretofore executed and delivered to the Trustee and DB Trustees (Hong Kong) Limited as the collateral trustee (the “Collateral Trustee”) an indenture (as amended by (a) that certain Supplemental Indenture No. 1, dated September 30, 2022, by and among the Company, the Trustee and the Collateral Trustee, (b) that certain Supplemental Indenture No. 2, dated October 14, 2022, by and among the Company, the New Guarantor (as defined therein), the Trustee and the Collateral Trustee, (c) that certain Supplemental Indenture No. 3, dated October 14, 2022, by and among the Company, SunPower Philippines Manufacturing Ltd., the Trustee, the Collateral Trustee and the Supplemental Collateral Trustee named therein, and (d) that certain Supplemental Indenture No. 4, dated November 13, 2023, by and among the Company, the Trustee and the Collateral Trustee and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Indenture”) dated as of August 17, 2022, providing for the issuance of the Company’s 7.50% Convertible First Lien Senior Secured Notes (the “Notes”), initially in an aggregate principal amount of \$207,000,000;

WHEREAS the Indenture provides that, pursuant to Section 8.02 of the Indenture, the Company and the Trustee may, subject to Sections 8.01, 8.03, 7.05 and 7.08 of the Indenture and clauses (i) to (x) of Section 8.02(A) of the Indenture, amend or supplement any provision of the Indenture with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding;

WHEREAS pursuant to an Acknowledgement Letter to a Letter of Consent, dated January 30, 2024, Zhonghuan Singapore Investment and Development Pte. Ltd., in its capacity as the Holder of \$207,000,000 principal amount of the Notes, representing 100% of the outstanding principal amount of the Notes, consents to the execution and delivery of this Supplemental Indenture and the amendments to the Indenture set forth herein; and

WHEREAS pursuant to Section 8.02 of the Indenture, the Trustee and the Company are authorized to execute and deliver this Supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders (as defined in the Indenture) as follows:

1. **Defined Terms.** As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined. The words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.
2. **Amendments to Section 1.01 of the Indenture.** The definition of “Interest

Payment Date” is hereby as follows (with additions showing in double underline):

““Interest Payment Date” means, with respect to a Note, each February 17 and August 17 of each year, commencing on February 17, 2023 (or commencing on such other date specified in the certificate representing such Note); provided that, to the extent the Company elects to pay any portion of the interest due and payable on an Interest Payment Date (such Interest Payment Date, a “Relevant Interest Payment Date”) in Ordinary Shares pursuant to Section 2.05(D) hereof, with respect to any Holder, and with respect to the portion of interest to be paid in Ordinary Shares only, (x) to the extent no notification in writing is received from such Holder on its ability or inability to accept the delivery of the relevant Ordinary Shares, or the Company has received notification in writing from such Holder confirming its ability to accept the delivery of the relevant Ordinary Shares, each pursuant to terms set forth in the immediately following paragraph, the Relevant Interest Payment Date or (y) to the extent the Company has received notification in writing from such Holder of its inability to accept the delivery of the relevant Ordinary Shares, pursuant to terms set forth in the immediately following paragraph, such date that falls seven (7) Business Days following the Company’s receipt of a written notice from such Holder confirming that it is able to accept the delivery of such Ordinary Shares in the manner contemplated under the Indenture (such date as provided in the sub-clause (x) or (y), the “Share Interest Payment Date”).

Each Holder shall, as soon as practicable and in any case within five (5) Business Days following the Company’s delivery of the notice pursuant to Section 2.04(D) hereof indicating its election to pay a portion of the interest due in Ordinary Shares, notify the Company in writing of such Holder’s ability or inability to accept the delivery of the relevant Ordinary Shares. To the extent the Company does not receive such notification from any Holder within five (5) Business Days following the Company’s delivery of the notice pursuant to Section 2.04(D), the Company is entitled to deem such Holder to be able to accept the delivery of the relevant Ordinary Share.

In the event that the Company is unable to deliver the relevant Ordinary Shares on the relevant Share Interest Payment Date due to the Holder’s inability to accept such delivery, the Company shall be deemed to have fulfilled its payment obligations with respect to the relevant portion of the interest and shall not be held liable for any loss, whether direct or indirect or actual or potential, that the Holder may suffer, or claim to have suffered, as a result.

For the avoidance of doubt, the amount of interest due on any Interest Payment Date and/or the value of Ordinary Shares issued to pay any interest due shall be calculated without giving effect to the proviso set forth in the first paragraph of this definition.

For the avoidance of doubt, the Maturity Date is an Interest Payment Date.”

3. **Ratification of Indenture; Supplemental Indentures Part of Indenture.** Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder shall be bound hereby.

4. **Governing Law.** THIS SUPPLEMENTAL INDENTURE AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS SUPPLEMENTAL INDENTURE, IS GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

5. **Trustee Make No Representation.** The Trustee make no representation as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals contained herein, all of which recitals are made solely by the other parties hereto.


6. **Counterparts.** The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. **Effect of Headings.** The Section headings herein are for convenience only and shall not affect the construction thereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

MAXEON SOLAR TECHNOLOGIES,  
LTD.

By:  \_\_\_\_\_

Name: KAI STROHBECKE  
Title: Chief Financial Officer

DEUTSCHE BANK TRUST COMPANY  
AMERICAS, AS TRUSTEE, REGISTRAR,  
PAYING AGENT, CONVERSION AGENT

By: \_\_\_\_\_

Name:  
Title:

By: \_\_\_\_\_

Name:  
Title:

[Signature Page to Supplemental Indenture]


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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

MAXEON SOLAR TECHNOLOGIES,  
LTD.

By: \_\_\_\_\_  
Name:  
Title:

DEUTSCHE BANK TRUST COMPANY  
AMERICAS, AS TRUSTEE, REGISTRAR,  
PAYING AGENT, ~~CONVERSION AGENT~~

DocuSigned by:  
  
By: \_\_\_\_\_  
Name: Carol Ng  
Title: Vice President

DocuSigned by:  
  
By: \_\_\_\_\_  
Name: Sebastian Hidalgo  
Title: Assistant Vice President

[Signature Page to Supplemental Indenture]

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**CERTAIN INFORMATION IN THIS EXHIBIT IDENTIFIED BY [\*\*\*] IS CONFIDENTIAL AND HAS BEEN EXCLUDED BECAUSE IT (I) IS NOT MATERIAL AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THAT INFORMATION AS PRIVATE OR CONFIDENTIAL**

### **AMENDMENT, SETTLEMENT, AND RELEASE AGREEMENT**

This Amendment, Settlement, and Release Agreement (the “Agreement”) is made as of November 13, 2023 (the “Effective Date”) and entered into by Maxeon Solar Technologies, Ltd. (“Maxeon”) and SunPower Corporation (“SunPower”) (collectively, “the Parties”).

### **RECITALS**

WHEREAS, on February 14, 2022, Maxeon and SunPower entered into a Master Supply Agreement, subsequently amended on December 31, 2022 (the “2022 MSA”), under which Maxeon agreed to sell, and SunPower agreed to purchase, certain products for use in the solar industry;

WHEREAS, under the 2022 MSA, SunPower agreed to purchase from Maxeon certain quantities of Products, as specified in Exhibit B to the 2022 MSA (“2022 MSA Volume Commitments”), through the fourth quarter of fiscal year 2023;

WHEREAS, on December 31, 2022, the Parties entered into another Master Supply Agreement (the “2024 MSA”) (together with the 2022 MSA, the “MSAs”), under which Maxeon agreed to sell, and SunPower agreed to purchase, certain products for use in the solar industry;

WHEREAS, under the 2024 MSA, SunPower agreed to purchase from Maxeon certain quantities of Products, as specified in Exhibit B to the 2024 MSA (“2024 MSA Volume Commitments”), from the first quarter 2024 through the fourth quarter of fiscal year 2025;

WHEREAS, several disputes have arisen between the Parties relating to their contractual obligations under the MSAs, including disputes relating to: (i) SunPower’s obligation to

purchase certain quantities of Products from Maxeon; (ii) certain set-offs that SunPower has claimed with respect to its payments to Maxeon; (iii) SunPower's payment of invoices; (iv) Maxeon's obligations under certain non-circumvention provisions; (v) SunPower and Maxeon's obligations under certain audit provisions; (vi) each party's obligations related to warranty claims for certain products using certain [\*\*\*] J-Boxes sold before Maxeon was spun out of SunPower; and (vii) Maxeon's obligation to ship certain products to SunPower (collectively, the "Disputes");

WHEREAS, both Parties have denied liability with respect to all claims arising from the Disputes;

WHEREAS, the Parties have been engaged in voluntary settlement negotiations in order to resolve the Disputes;

WHEREAS, the Parties have agreed upon the following settlement and release terms to resolve the Disputes; and

WHEREAS, the Parties now desire to document the settlement and release terms in this formal Agreement.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the promises and benefits expressed herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties voluntarily and knowingly execute this Agreement.

1. **Dispute Resolution Provisions of the 2022 MSA.** The Parties agree to resolve any disputes that may arise under this Agreement by means of the provisions set out in Section 10(a)(i) of the 2022 MSA, which provisions are incorporated herein by reference.

2. **Definition of Product.** This Agreement incorporates by reference, for all purposes, the definition of “Product” used in the 2022 MSA, including its Exhibit A.

3. **Payment for [\*\*\*] Set-Off Amounts.** SunPower agrees to pay Maxeon the following amount, which reflects set-offs against Maxeon invoices that SunPower has previously taken, within two (2) calendar days of the Effective Date:

Description	Amount (USD)
[***] set-off amounts	2,351,173.01
<b>TOTAL</b>	<b>2,351,173.01</b>

4. **Shipment of [\*\*\*] MW [\*\*\*] Products.** Upon receipt of payment from SunPower in the amount specified in Paragraph 3, above, Maxeon agrees to ship [\*\*\*] [\*\*\*] Products to SunPower. For the avoidance of doubt, this [\*\*\*] is part of, and not in addition to, the November 2023 volumes as set out in the table below.

5. **2023 Volumes and Prices.** Maxeon agrees to supply, and SunPower agrees to purchase, certain Products in accordance with the table below and at the prices established in the 2022 MSA. The volumes of Products set forth in the table below shall be referred to as the “2023 Volumes.” The 2023 Volumes shall not include any [\*\*\*] Products. The 2023 Volumes shall be considered purchased as of the Effective Date of this Agreement, without the need for the issuance of any purchase order(s), on a take or pay basis, meaning that SunPower must pay for the entire volume of Products at the 2022 MSA prices regardless of whether SunPower takes delivery. Other than the deliveries of Products under Paragraph 4 above, Maxeon will begin periodic, weekly shipments in accordance with a mutually agreed schedule of deliveries of the remaining 2023 Volumes after SunPower has provided the Payment Security (defined below).

<b>Volume</b>	<b>Module Type</b>	<b>Delivery Month</b>
[***]	[***]	November 2023
[***]	[***]	November 2023
[***]	[***]	December 2023
[***]	[***]	January 2024
[***]	[***]	February 2024

6. **Assignment by SunPower.** Upon written notice to Maxeon, SunPower may assign to [\*\*\*] (or an affiliated entity controlled by [\*\*\*) its rights to receive any portion of the Products to be delivered pursuant to this Agreement. In the event such assignment is made, Maxeon will accept sums paid by [\*\*\*] (or an affiliated entity controlled by [\*\*\*)), if any, as if such sums were paid by SunPower. Any such assignment, if made, does not amend or modify SunPower’s obligations with respect to providing and maintaining the Payment Security as defined in Paragraph 7, below, or any other obligations of SunPower.

7. **Payment for 2023 Volumes.** SunPower agrees to pay for the 2023 Volumes within [\*\*\*] days of the delivery date for each volume listed in the table in Paragraph 5, above. Within seven (7) days of the Effective Date, SunPower shall deliver payment security to Maxeon (“Payment Security”) in the form of a payment bond issued by a United States Treasury-listed surety with an A.M. Best Company, Inc. rating of at least A- in an amount not less than USD 30 million and in a form as attached to this Agreement as Exhibit A. The Payment Security shall not be terminable prior to April 29, 2024. The Payment Security need not exceed the outstanding balance for any remaining, unpaid payments for the 2023 Volumes. Maxeon has a right to demand and receive payment under the Payment Security if SunPower fails to pay for any of the 2023 Volumes on the applicable payment date for such volume and such failure remains uncured

for 5 business days following written notice from Maxeon. The Payment Security shall be replenished if drawn (in full or part) or, alternatively and in SunPower's reasonable discretion, SunPower may procure additional bonds in the same form and duration as the Payment Security such that, at all times, Payment Security shall be not less than USD 30 million. SunPower's payment obligation under this Paragraph is absolute and is not subject to any set-offs, claims, or defenses to payment including, without limitation, Maxeon's breach of this Agreement, except in the case of Maxeon's breach of this Agreement by failing to make Products available for delivery to SunPower. Maxeon is not obligated to ship 2023 Volumes unless there is sufficient bond coverage remaining in the Payment Security for SunPower's payment obligations. If SunPower fails to accept delivery of the goods, Maxeon has the right (but not the obligation) to deliver the goods to a third-party warehouse at SunPower's expense.

8. **Exclusivity.** As of March 31, 2024, the exclusivity obligations of Sections 3(c) and 3(d) of the 2022 MSA shall terminate and be deemed null and void and of no further force and effect.

9. **Non-Circumvent Obligations Terminated as of January 1, 2024.** The non-circumvention obligations in Section 3(b) of the 2022 MSA will continue until January 1, 2024 with respect to only the [\*\*\*] named dealer entities listed in Exhibit B; these obligations will terminate as to all other dealers and third parties on the Effective Date. SunPower shall not have a right of termination or a right to withhold payment for any Product delivered with respect to a breach of the non-circumvention obligations. In the event of a breach of the non-circumvention obligations, SunPower shall have the right to audit any breaching communications between Maxeon and the [\*\*\*] named dealer entities. In the event SunPower does not meet its obligations under this Agreement and Maxeon calls, claims, or draws upon the Payment

Security, in addition to all other rights and remedies as set out in this Agreement, all non-circumvention obligations are immediately terminated and are void and of no force or effect.

10. **Section 6.1 of Brand Framework Agreement Terminated as of January 1, 2024.** As of January 1, 2024, Section 6.1 of the Brand Framework Agreement between the Parties shall be null and void and of no further force and effect with respect to the use of the SunPower Marks or Assigned Trademarks in the Territory (as “Territory is defined in the 2022 MSA”). As of January 1, 2024, SunPower shall no longer be restricted from use of the SunPower Marks or Assigned SunPower Trademarks in the Territory. For the avoidance of doubt, and except as expressly set out in this Paragraph 10, this Paragraph 10 shall have no effect on, and shall not waive, alter, amend, or replace, any other provision of the Brand Framework Agreement.

11. **2022 MSA Terminated.** The 2022 MSA shall terminate on the latter of the date of final delivery of the 2023 Volumes as set out in Paragraph 5, above, or February 28, 2024. At that time, all other performance, claims, and obligations shall terminate except for those terms mutually agreed by the Parties to survive termination, including any warranty obligations to the extent arising solely out of the Limited Product and Power Warranty that corresponds to modules sold and fully paid for under the 2022 MSA (the “LPPW”), remedies for Epidemic Failures, confidentiality, indemnification, and compliance with law and audits, and any performances or obligations required by this Agreement that have not been fulfilled. This Agreement does not apply to and does not alter, amend, or replace product warranty rights or obligations arising out of earlier supply agreements between the Parties.

12. **2024 MSA Terminated.** As of the Effective Date, the 2024 MSA is terminated, together with all other claims, performances, and obligations arising out of the 2024 MSA. This

includes, but is not limited to, termination of the non-circumvention and exclusivity provisions set forth in Sections 9(b) and 9(c) and Exhibit F of the 2024 MSA, subject to Paragraph 9, above.

13. **Prospective Warrants.** Prior to January 1, 2024 (such date, the “Issuance Date”) and subject to the provisions of Paragraph 17, SunPower shall take all the necessary actions to issue to Maxeon in a private placement warrants exercisable for 1,700,000 shares of SunPower’s common stock at a per share price that is a 25% premium to the volume-weighted average of SunPower’s stock price over the immediately preceding five trading days prior to the Effective Date (the “Warrants”). The Warrants will be issued on terms acceptable to Maxeon and contain customary representations, warranties and covenants related to the nature and validity of the offering. The Warrants will be exercisable during the period beginning 135 days following the Issuance Date and ending December 31, 2025. Following exercise, Maxeon shall hold the shares for no less than 180 days before selling, and thereafter shall sell no more than 340,000 shares issuable upon the exercise of the Warrants in any given quarter and comply with the requirements of Rule 144 under the Securities Act of 1933, as amended. Notwithstanding the foregoing, the Warrants shall specify that, subject to SunPower’s written consent (which consent shall not be unreasonably withheld, conditioned, or delayed, and shall in any case be deemed as granted by SunPower 21 days following written notice from Maxeon of its intent to sell or transfer the Warrants to a third party), Maxeon is permitted to sell or transfer the Warrants to a third party so long as the divestment restrictions set forth in this Paragraph 13 transfer with the Warrants.

14. **Termination Settlement Sum.** The Parties agree that, except for (a) the purchases of Products set forth in Paragraphs 5 and 7, above, (b) SunPower’s payment as set out in Paragraph 3, above, (c) the payment or credit memos described in Paragraph 15, below, and



(d) the Warrants described in Paragraph 13, above, neither Party shall be liable for payment of any other amount in connection with the execution of this Agreement.

15. **[\*\*\*] Warranty Claims.** Certain junction boxes manufactured by [\*\*\*] and used in certain DC solar panels sold before Maxeon was spun out from SunPower have a risk of solder joint failure (the “Defective Junction Boxes”) and have been the subject of warranty claims (the “[\*\*\*] Warranty Claims”). The Parties agree that in the future and after the Effective Date, Maxeon shall reimburse [\*\*\*] of Remediation Costs, as defined in this Paragraph, for [\*\*\*]-Warranty Claims incurred by SunPower, within [\*\*\*] days of invoice by SunPower, subject to the following: “Remediation Costs” are limited to the actual, reasonable, and documented labor and material costs for replacing the Defective Junction Boxes and exclude all other costs and fees. SunPower agrees to provide reasonable audit rights to validate that the Remediation Costs are actual, reasonable, and documented labor and material costs for replacing the Defective Junction Boxes.

16. Maxeon may elect, with 30 days advance notice, to perform (or to cause to be performed by a vendor selected by Maxeon) the [\*\*\*] remediation work. If Maxeon elects to perform or cause to be performed the [\*\*\*] remediation work, then: (i) SunPower agrees to reimburse Maxeon [\*\*\*]% of the Remediation Costs incurred in the future by Maxeon, within [\*\*\*] days of invoice by Maxeon; and (ii) subject to SunPower’s obligation to reimburse [\*\*\*]% of the Remediation Costs, Maxeon shall indemnify SunPower for all damages and claims brought or maintained by any third party in connection with or arising out of Maxeon’s performance of the [\*\*\*] remediation work. Maxeon agrees to provide reasonable audit rights in connection with these costs if invoiced. For the avoidance of doubt, SunPower’s payment in

respect of the [\*\*\*] set-off, as referenced in Paragraph 3, above, fully settles all [\*\*\*] claims arising on or prior to the Effective Date.

17. **Mutual Releases.** Each Party, on behalf of itself and its subrogees, insurers, agents, assigns, attorneys, affiliates, parent companies, subsidiaries, shareholders, officers employees, representatives, managers, and all other entities or persons acting by, through, or in concert with it (the “Releasing Parties”) hereby releases the other Party, and all of its subrogees, insurers, agents, assigns, attorneys, affiliates, parent companies, subsidiaries, officers, employees, representatives, managers, and all other entities or persons acting by, through, or in concert with it (the “Released Parties”) from any and all breaches, claims, demands, debts, losses, obligations, damages, liabilities, costs, expenses, fees, and causes of action, whether known or unknown, fixed or contingent, each to the extent arising on or prior to the Effective Date, which arise under or relating to the 2022 MSA, the 2024 MSA, or the Disputes (collectively, the “Released Claims”). For the avoidance of doubt, the Released Claims do not include, and no Party is released from, the obligations set forth in this Agreement. Nothing in this Paragraph shall release any Party from any obligation, covenant, promise, representation, warranty, or indemnity set forth in this Agreement.

18. **Sole Recourse in the Event Maxeon Breaches Non-Circumvention Obligations.** In the event Maxeon breaches its non-circumvention obligations as set out expressly in Paragraph 9 of this Agreement, SunPower may, as its sole and exclusive remedy for any such breach, refuse to issue the Warrants. For the avoidance of doubt, SunPower’s option to refuse to issue the Warrants is SunPower’s sole and exclusive remedy for any breach by Maxeon of its non-circumvention obligations, whether arising under Paragraph 9 of this Agreement or under the 2022 MSA.

19. **Covenant Not to Sue.** Each Party hereby covenants not to sue the other Party in the future with respect to any claim released by this Agreement. Suit may be brought to enforce this Agreement in the event of a material breach of its terms by either Party.

20. **Civil Code Section 1542.** The Parties understand and agree that all rights they have under California *Civil Code* section 1542 are expressly waived. Section 1542 provides as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

21. **Confidentiality.** The terms and conditions of this Agreement are absolutely confidential between the Parties and shall not be disclosed to anyone else, except as shall be necessary to effectuate its terms or where (i) necessary to share such information with the Parties' accountants, tax preparer, bookkeeper, attorneys or insurance carrier; (ii) disclosure to a governmental entity is required; (iii) disclosure is ordered by a court of competent jurisdiction; or (iv) disclosure is necessary for accounting or financial reporting purposes or for purposes of complying with SEC disclosure obligations. Any disclosure in violation of this section shall be deemed a material breach of this Agreement.

22. **Representations and Warranties.** The Parties each represent and warrant the following:

- a. Each Party has received independent legal advice from its counsel of choice with respect to the advisability of entering this Agreement.

- b. Each Party and its respective counsel have made such investigation of the facts pertaining to the release contained in this Agreement as they deem necessary.
- c. Each Party is entering this Agreement solely in reliance on such Party's own investigation and analysis and not based on any representation by any other party to this Agreement as to the facts pertaining to the release contained in this Agreement or as to such other party's lack of knowledge, or failure to disclose such fact.
- d. The terms of this Agreement are contractual and the result of negotiation among the Parties with each Party participating in the drafting. To the extent any ambiguity exists in this Agreement, such ambiguity will be attributable to each of the Parties.
- e. Each Party has carefully read this Agreement and knows and understands its contents.
- f. This Agreement is signed freely by each Party executing it.
- g. Each Party, and each person signing this Agreement on behalf of the Parties, is duly authorized and empowered to execute this Agreement.
- h. Each Party represents and warrants to the other that it has not sold, assigned, transferred, conveyed, or otherwise disposed of any claim, counterclaim, demand, or cause of action covered by this Agreement. Nothing in this Paragraph shall prevent SunPower from assigning its rights with respect to the 2023 Volumes to [\*\*\*] (or an affiliated entity controlled by [\*\*\*]) as provided in Paragraph 5, above.

23. **Further Actions.** The Parties agree to execute any additional documents or take any further action that reasonably may be required by their respective counsel to consummate or otherwise fulfill the intent of this Agreement.

24. **Survival of Warranty.** The representations and warranties contained in this Agreement are deemed to and do survive the Parties' execution of the Agreement.

25. **Successors.** All of the terms, agreements, covenants, and conditions of this Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the Parties hereto and their respective successors, heirs, and other legal representatives.

26. **Entire Agreement.** This Agreement represents the entire agreement between and among the Parties regarding the resolution of the Disputes. There are no covenants, conditions, or understandings, either oral or written, between the Parties related to a resolution of the Disputes, other than as set forth in this Agreement.

27. **Modifications.** No modification, amendment, or attempt to supersede or cancel any of the terms, covenants, or conditions hereof shall be effective unless each amendment, modification, or direction to supersede or cancel such term, covenant, or condition is in writing and executed by all of the Parties hereto, or, in the case of a waiver, by or on behalf of the Party waiving compliance. The failure of any Party at any time or times to require performance of any provision hereof shall in no way affect the right at a later time to enforce the same.

28. **Severability.** In the event any provision of this Agreement is held to be void, voidable, or unenforceable, the remaining provisions will remain in full force and effect.

29. **Governing Law.** This Agreement, and all matters arising hereunder or in connection herewith, shall be governed by, interpreted under, construed, and enforced in accordance with the laws of the State of California, without regard to conflicts of law principles.

30. **Headings.** The headings contained in this Agreement have been inserted for convenience only and in no way define or limit the scope or interpretation of this Agreement or any provision hereof.

31. **Counterparts.** This Agreement and any amendment or modification hereof may be executed simultaneously in two counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Agreement may be transmitted by facsimile or email, and it is the intent of the Parties that the facsimile of any signature printed by a receiving facsimile machine or any signature received via email shall be considered an original signature.

**IN WITNESS WHEREOF**, the Parties hereto have accepted, agreed, and duly executed this Agreement:

Date: November 13, 2023

/s/ William Mulligan

Maxeon Solar Technologies, Ltd.

By: William Mulligan, Chief Executive Officer

Date: November 13, 2023

/s/ Peter Faricy

SunPower Corporation

By: Peter Faricy, Chief Executive Officer



**EXHIBIT A**  
**PAYMENT BOND**

**[\*\*\*]**



**EXHIBIT B**  
**DEALER LIST**

**[\*\*\*]**



## Subsidiaries of Maxeon Solar Technologies, Ltd.

Name of Subsidiary	Country of Incorporation
Maxeon Solar Pte. Ltd	Singapore
SunPower Malaysia Manufacturing Sdn. Bhd.	Malaysia
SunPower Systems Sarl	Switzerland
SunPower Philippines Manufacturing Ltd.	Cayman Islands
SunPower Netherlands B.V.	Netherlands
SunPower Italia S.r.l.	Italy
SunPower Energy Solutions France SAS	France
Maxeon Americas, Inc.	United States



## **Code of Ethics and Business Conduct**

(Originally adopted August 20, 2020; revised March 14, 2024)

## A MESSAGE FROM MAXEON'S CEO



At Maxeon, we give our customers and employees the power to make a positive impact on our world and the communities where we operate.

Our innovative solar technology and best-in-class sustainability practices raise the bar for the entire solar industry, as we lead the fight against climate change. And our broad global reach, combined with local expertise, make us uniquely suited to fulfill our purpose of Powering Positive Change™.

How we conduct ourselves and our business, however, is as important as the ultimate outcome. As one of our core values remind us, “We hold ourselves to a higher standard,” with each of us responsible for doing the right thing and operating with ethical integrity. That’s why I’m providing you with these guiding principles. It’s critical that all Maxeon team members, consultants, vendors and suppliers, and all others who represent Maxeon, take the time to read and understand our Code of Ethics and Business Conduct. It guides our behavior in everything we do.

You’ll find the answers to many of your questions in this document. If you can’t find it here, just ask your manager for guidance. You can also contact our Chief Ethics and Compliance Officer or contact the Maxeon [Compliance & Ethics Helpline](#). We’ll keep all information confidential and treat it with the utmost discretion. We do not tolerate retaliation against anyone who seeks help or reports concerns.

At Maxeon, “*We thrive together*” when we deliver value to our stakeholders without compromising our high ethical standards. I’m confident that each of us will place the same pride and integrity in our conduct as we do in our world-class solar products, each and every day.

Sincerely,

Bill Mulligan

CEO, Maxeon Solar Technologies, Ltd

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## OVERVIEW

At the core of Maxeon Solar Technologies, Ltd. (collectively with our affiliates and subsidiaries, “Maxeon”) is the commitment to conduct every activity with the highest level of integrity. Maxeon has adopted this Code of Ethics and Business Conduct (our “Code”) as a non-exhaustive set of rules and principles we at Maxeon live by each and every day.

Maxeon’s core values are the foundation of our Code:

### *We Push the Boundaries*

- We are driven to take solar technology higher, faster and farther than ever before
- We are proud that our record-breaking solar technology empowers our customers to set records of their own

### *We Hold Ourselves to a Higher Standard*

- We believe raising the bar for the entire solar industry is essential in the fight against climate change
- We strive for the highest integrity, safety, quality and for panels as clean as the solar power they produce

### *We Thrive Together*

- Trusting our local sales and installation partners and experts around the globe keeps us a step ahead
- We empower our customers to make a positive impact on the world

## 1. OUR CODE

Our Code is a statement of Maxeon’s expectations regarding personal and corporate conduct. It applies to all members of the Maxeon team, including employees, officers, directors, and Maxeon’s Board of Directors, other parties who represent Maxeon as well as to our suppliers, vendors and partners. All such personnel and corporate bodies must comply with our Code and seek to avoid even the appearance of improper behavior. Employees who violate the standards in our Code may be subject to disciplinary action, including dismissal, and violations involving illegal behavior may be reported to the appropriate authorities. Third parties that fail to live up to our Code will lose the opportunity to do business with us. If you have any questions regarding our Code, you should consult with Maxeon’s Chief Ethics and Compliance Officer.

It is your responsibility to understand the legal requirements surrounding your job and areas of expertise and responsibility. While our Code covers a wide range of business practices and procedures, it does not cover every issue that may arise. More specific day-to-day procedures are outlined in Maxeon’s policies – you will find links to many of these policies throughout this document, or refer to <https://corp.maxeon.com/esgpolicies>

Our Code and our values should guide the decisions you make on behalf of the Company. If you are ever unsure whether a particular course of action is ethical, ask yourself:

- Is it consistent with Maxeon’s core values?
- Is it legal, in accordance with international industry best standards and consistent with our Code and the Company’s policies, procedures and guidelines?
- Will it harm the Company’s reputation or my own?

If, after reviewing our policies and procedures and considering the questions above, you are still uncertain, discuss the issue with your supervisor or our Chief Ethics and Compliance Officer, or contact the [Compliance & Ethics Helpline](#).

## 2. OUR ETHICAL CULTURE



Our culture of integrity is informed by our core values and is cultivated by the shared set of behaviors we expect all members of the Maxeon team to demonstrate.

#### **Guiding Behavior**

- **Maxeon employees must:**
  - always tell the truth;
  - understand and comply with applicable laws and Maxeon policies;
  - read our Code at least once a year;
  - complete trainings and certifications required by Maxeon;
  - use good judgment and avoid even the appearance of improper conduct;
  - seek guidance when questions arise about the right course of action to take;
  - intervene to prevent others from acting if you become aware that they are contemplating violating the law or our Code; and
  - raise concerns and report possible violations of the law or our Code to their supervisor, the [Compliance & Ethics Helpline](#), or through one of the other reporting channels outlined under the “Reporting Violations” section of our Code.

*Annual Compliance Training and Acknowledgment:* All Maxeon employees and contractors are required to complete annual online training on the Code and sign the accompanying Annual Acknowledgment of Support. If practicable, Maxeon employees should also attend an in-person training on the Code provided from time to time at Maxeon’s premises around the world by a member of the Legal Department. As part of the Acknowledgment, you will be asked to confirm that you are not aware of any violations of our Code.

- **Maxeon employees who manage others must:**
  - create and foster an environment that encourages open and candid communications;
  - create and foster an environment that empowers employees to make ethical decisions;
  - periodically, but no less than once a year, discuss our Code with their team to ensure that they understand their ethical and legal responsibilities;
  - make sure all of their team members complete required trainings;
  - monitor and correct the conduct of all employees under their supervision; and
  - make a report to Maxeon’s [Compliance & Ethics Helpline](#) if an employee raises a concern constituting a possible violation of our Code, the law, or any Maxeon policy, and take all necessary steps to protect that employee from retaliation.
- **In addition to individual employee accountability for creating and maintaining Maxeon’s ethical culture, Maxeon will:**
  - encourage a “Speak Up” culture of open and candid communications;
  - make sure that employees who make a report about a possible violation of our Code are protected from any form of retaliation; and
  - diligently investigate all reports of possible violations and effectively resolve and remediate violations.

### **3. COMPLY WITH THE LAW**

As a global company headquartered in the Singapore and listed on Nasdaq in the United States, Maxeon and its local subsidiaries and affiliates are responsible for complying with Singapore laws, United States laws and the local legal, regulatory, and institutional frameworks wherever it does business. This means that you must

follow the laws in all countries and jurisdictions to which you conduct business on Maxeon's behalf, as well as certain Singapore and U.S. laws.

In particular, you should be aware of the following legal areas that impact our business:

### **Anti-Corruption Laws**

Maxeon has no tolerance for bribery or kickbacks of any kind. Regardless of local custom, industry practice, or pressure to close a deal, we will not compromise our standards or risk our reputation. Employees should be aware of and comply with the law and Maxeon's Global Anti-Corruption Compliance Policy, available at <https://corp.maxeon.com/esgpolicies>.

- **Commercial Bribery:** We award contracts to suppliers based on the integrity of our suppliers as well as quality and price. It is strictly forbidden to accept money or gifts from suppliers to influence the awarding a contract. Anything received of value over US\$100 (or less, depending on the jurisdiction) must be reported under the Gifts and Entertainment Policy, available at <https://corp.maxeon.com/esgpolicies>. Furthermore, we market our products based on quality, service and price. No one is permitted to directly, or indirectly through third parties, offer or use inappropriate gifts, excessive entertainment or anything of value as improper means to influence customers or prospective customers.

*Example:* A Purchasing Manager runs into a former employee at a local shopping mall. The former employee now works for one of Maxeon's potential suppliers currently engaged in a bidding process. The former employee offers the Purchasing Manager some cash 'off the books' if the Purchasing Manager will only provide some inside information on what other bidders are offering and help the potential supplier secure the contract. This is strictly forbidden under the Code and will result in consequences up to termination for a Maxeon employee participating in such conduct.

- **Official Bribery:** Bribing a Government official directly or indirectly is illegal in every country where we conduct business, including without limitation in Singapore under the Prevention of Corruption Act and the United States under the Foreign Corrupt Practices Act, each of which have extra-territorial jurisdiction. Bribery can result in reputational harm, significant fines and even criminal penalties against you, Maxeon's directors and officers and/or Maxeon itself. Maxeon has zero tolerance for offering or giving anything of value, directly or indirectly, to Government officials or their family members, whether directly or through intermediaries, in order to secure official Governmental action that favors Maxeon.
- **Gifts to Governmental Officials:** In many countries, it is considered common courtesy to provide token/ceremonial gifts or meals to governmental officials on certain occasions to help build relationships. While giving such gifts is disfavored in principle, in the rare cases where the situation merits making such a gift, all such gifts are required to meet the following criteria:
  - be pre-approved in accordance with Maxeon's Global Anti-Corruption Compliance Policy;
  - comply with the monetary limits set forth by market in Maxeon's Gifts and Entertainment Policy, available at <https://corp.maxeon.com/esgpolicies>
  - be given openly and transparently;
  - be properly recorded in the Company's books and records; and
  - comply with the Singapore Prevention of Corruption Act, the US Foreign Corrupt Practices Act and any applicable local laws.

Gifts and entertainment, including meals, of any kind should be avoided with Government officials before which Maxeon has pending applications, proposals, bids or other business.

- **Import-Export & Trade Laws:** Our business operations and products touch countries all around the world, and we are accountable to laws and regulations in a number of different jurisdictions, including without limitation the United States Office of Foreign Assets Controls (“OFAC”) and the European Union Consolidated Financial Sanctions List. These laws include, among other things, embargos, export controls on tools containing sensitive technologies with ‘dual use’ potential, anti-boycott regulations, and prohibitions on traveling to or from or doing business with a sanctioned country or sanctioned entity. These laws and regulations apply to several aspects of our business, not just the physical importation and shipment of products. For example, these laws may apply to technology transfers across borders.

*Example:* Russia was recently hit with sanctions. These included sanctions against Russian companies, Russian citizens and the Russian Central Bank. The sanctions were issued by the United States, The European Union, the United Kingdom, Singapore and elsewhere. It is critical that Maxeon and its suppliers do not do business with any of the newly sanctioned entities.

If your work involves purchasing tools and equipment from overseas, international travel, or the sale of products, technologies, or services across international borders, review the Export Management and International Trade Compliance Policy and Procedures to be sure you understand how export laws may apply to your work.

- **Money Laundering Laws:** Money laundering is the process by which individuals or entities try to hide or “launder” illegally received funds or otherwise make the source of their illicit funds look legitimate. No Maxeon personnel should attempt to conceal or “launder” illegally received funds or make the source of any funds appear legitimate.

Be alert for and report to the [Compliance & Ethics Helpline](#) any suspicious transactions or requests such as:

- large cash payments;
  - requests to accept payment from or to make payments to a third party or an affiliated entity, who is not party to a contract; or
  - requests to send funds to a country other than where the buyer or seller are located.
- **Competition Laws:** We treat our competitors fairly and adhere to all laws designed to protect competition. Fair dealing and antitrust laws protect industry competition by generally prohibiting formal or informal agreements between competitors that seek to manipulate prices or unfairly impact competitors. Always avoid taking actions that could be interpreted as an illegal agreement with competitors (or suppliers) to restrict or diminish competition. For example, you should not:
    - agree with competitors to divide sales territories, assign customers;
    - exchange information (or make agreements) with competitors regarding pricing, contract terms, costs, marketing plans or other terms that are competitively significant; or
    - violate fair bidding practices or bidding quiet periods.

Examples of prohibited behaviors include price fixing, limiting production, or allocating markets or territories.

If you have questions or concerns, consult the Chief Ethics and Compliance Officer.

#### 4. ACT WITH INTEGRITY

Relationships are built on the quality of our products, the services that we provide and the fact that we serve our customers honestly and with integrity. Having integrity requires that we embrace good

corporate practices and never allow personal interests to influence (or appear to influence) us when performing our duties. You should always act honestly, be transparent and avoid conflicts of interest when representing Maxeon.

### **Personal Relationships & Conflicts of Interest**

All Maxeon personnel have a duty of loyalty to Maxeon to further its goals, to work on behalf of its best interests, and to avoid any apparent and actual conflicts between personal interests and those of Maxeon. You should not use your position at Maxeon to obtain favorable treatment for yourself, relatives, or others with whom you have a significant personal or financial relationship. This applies to product purchases (except for any employee purchase or friends and family purchase programs), sales, investment opportunities, hiring, promoting, selecting contractors or suppliers, or any other Maxeon business matter.

Maxeon personnel should not participate in any business decision that could benefit an individual with whom they have a close personal or financial relationship.

Additionally, personal relationships in the workplace may present an actual or perceived conflict of interest when one individual in the relationship is in a position to make or influence employment decisions regarding the other. If you find yourself in such a relationship, you must notify Human Resources so they may assist you in resolving any potential conflicts. Employees should not allow their relationships to disrupt the workplace or interfere with their work or judgment. For additional information, contact Human Resources.

Employees must disclose potential or actual conflicts of interests before taking any action that may be seen as impacting their ability to make an impartial decision in Maxeon's best interest. Declarations should be made using Maxeon's Conflicts of Interest Disclosure and Pre-Approval Form, which is available from "the grid" or by contacting our Chief Ethics and Compliance Officer ([GeneralCounsel@maxeon.com](mailto:GeneralCounsel@maxeon.com)).

#### Q&A:

*What is a conflict of interest?*

A situation in which a person has a private or personal interest that may influence, or appear to influence, his or her conduct as an employee or contractor of Maxeon.

*How do I know when a conflict of interest exists?*

It is important to keep in mind that it is the appearance of influence that triggers the conflict, not whether a particular person has been influenced in fact. If you are at all uncertain about a potential conflict of interest, seek guidance from your supervisor or the Chief Ethics and Compliance Officer.

*Can you give an example of a conflict of interest or a situation of potential divided loyalty?*

*Example 1:* Your cousin owns a business that is being considered as a potential supplier for Maxeon and you are one of the decision makers responsible for awarding the work.

*Example 2:* You work in human resources and your friend who is recently unemployed asks you if you can help get a job they are not qualified for.

### **Gifts & Entertainment**

Giving and receiving modest gifts or entertainment can strengthen our business relationships – provided that gifts and entertainment are appropriate for the situation, not offered to improperly influence a business decision, and consistent with Maxeon’s policies. While Maxeon allows certain courtesies, entertainment, modest gifts, and occasional meals for potential and existing customers or others involved with aspects of our business, such expenses must be:

- reasonable and in alignment with our Gifts and Entertainment Policy, available at <https://corp.maxeon.com/esgpolicies>
- authorized;
- properly declared and recorded in the books and records of the Company;
- consistent with applicable law including the Singapore Prevention of Corruption Act and the US Foreign Corrupt Practices Act;
- not for the purpose of obtaining special or favored treatment; and
- a customary business gift that would not embarrass Maxeon if publicly disclosed; and
- infrequent.

Lavish or excessive gifts or entertainment are prohibited, and giving or receiving cash or cash equivalents is viewed as a bribe or kickback and is always against Maxeon policy. Extra care should be given if the recipient of the gift or entertainment is a Government official. Maxeon has set specific guidelines relating to gifts and entertainment being provided.

Q&A:

*Do I have to follow Maxeon policy with respect to gifts if I pay for them myself?*

Yes. Maxeon’s policies regarding gifts and entertainment apply if the gift is given for business reasons and you are representing Maxeon, whether or not you seek reimbursement.

### **Business Opportunities**

Maxeon personnel may not take advantage of business opportunities that they learn about through their work with Maxeon or direct those opportunities to a third party unless Maxeon has already been offered and declined the opportunity.

### **Outside Employment and Inventions**

Full time employees must have prior written approval from their supervisor and the Human Resources Department before providing services to another for-profit business or before participating in inventions or businesses that are in the same area as your work for Maxeon. Employees must never provide services to a competitor while they are employed by Maxeon. Any employee who obtains additional outside employment, has an outside business, or is working on an invention in areas related to the work done at Maxeon must comply with the following rules.

- You may not use any time at work or any Maxeon assets for your other job, outside business, or invention. This includes using Maxeon workspace, phones, computers, Internet access, copy machines, and any other Maxeon assets or services.
- You may not use your position at Maxeon to solicit work for your outside business or other employer, to obtain favored treatment, or to pressure others to assist you in working on your invention.
- You must not participate in an outside employment activity that could have an adverse effect on your ability to perform your duties at Maxeon.

- You may not use confidential Maxeon information to benefit your other employer, outside business, or invention.

Q&A:

*May I serve on the board of directors of an outside enterprise or organization?*

Yes, as long as you obtain the appropriate approvals. Maxeon personnel must obtain written permission from their manager and a Vice President or above of the Company, as well as the General Counsel, before accepting any board positions for non-profit or for-profit organizations. Vice Presidents and above must obtain written permission from the CEO before accepting such positions. All employees should be mindful of and continue to comply with their obligations to maintain Maxeon confidential information in strict confidence in connection with the service on any boards.

**Insider Trading**

Trading in Maxeon securities while you are in possession of material non-public information, or providing a family member, friend, or any other person with a “tip,” is illegal. You should never use inside information for personal gain. Contact Stock Administration or the Chief Ethics and Compliance Officer with any questions about your ability to buy or sell securities. For additional information, guidance and advice, read the Insider Trading Policy, available at <https://corp.maxeon.com/esgpolicies>

**Competitive Intelligence Gathering**

Maxeon does not permit the unlawful use of trade secrets, and no one should attempt to improperly obtain proprietary or confidential information from competitors or any other company.

**Political Activities**

We respect the right of our employees to participate individually in the political process and to support candidates and political parties of their choice if allowed under applicable law. However, Maxeon has adopted specific policies that must be followed if you plan on engaging in political activities on its behalf. If you plan to do so, please first secure approval from the Chief Ethics and Compliance Officer.

**5. MANAGE ASSETS AND INFORMATION RESPONSIBLY**

**Protecting Maxeon’s Assets**

Employees must always exercise good judgment in using Maxeon’s assets. Personal use of Maxeon assets (such as laptops, mobile devices, printers, etc.) should be minimal, not interfere with job performance, and must comply with all laws as well as the highest standards of professionalism, decency and common sense. If you become aware of a theft or misuse of Maxeon’s property, promptly report it to your supervisor.

Employees must always be diligent when using Maxeon computers, personal computing devices and otherwise accessing Maxeon applications and follow our recommendations for prevention of phishing and other breaches of data security. If you become aware of any data breaches, promptly contact our Chief Information Officer.

For additional information, guidance and advice, read the [Acceptable Use of Information Resources and Processing of Personal Data](#) Policy.

**Maxeon’s Inventory**

Maxeon’s inventory of cells (and their raw materials such as copper), solar panels and other products are often stored at Maxeon premises and warehouses operated by Maxeon or by a third-party. These items are the property of Maxeon and even if defective or damaged remain the property of Maxeon and may not be taken or otherwise disposed of by Maxeon Employees without proper approvals. Please

route requests through Maxeon Gives program or get approvals from our legal, human resources and tax departments.

### Confidential Information

*Example:* After months of hard work leading to a breakthrough in functionality, a Design Engineer copies her work onto a personal external drive and takes it home in order to make sure that she retains her work, even if she later leaves Maxeon. This unauthorized use of intellectual property (“IP”) is a violation of our Code.

Confidential information can include a variety of materials and information regarding Maxeon’s operations and plans. For example, confidential information can include product development designs, patents, trademarks, copyrights, design and manufacturing processes, programming techniques and algorithms, source code, information regarding Maxeon’s financial health, salary and personnel information, and sales and marketing plans. Confidential information must be held in the strictest confidence and may not be disclosed to any third party unless the third party has signed a nondisclosure agreement approved by management. Even within Maxeon, such information should be divulged only to persons having a need to know it in order to carry out their job responsibilities. Consistent with the foregoing, you should be discreet with confidential information and not discuss it in public places.

Likewise, we respect the IP rights of others and do not tolerate the unauthorized use of anyone else’s IP. Before soliciting, accepting, or using another company’s IP, please seek guidance from the Chief Ethics and Compliance Officer to ensure that you have permission and that appropriate licensing documents are in place.

For additional information, guidance and advice, read our statement on the Acceptable Use of Information Resources and Processing of Personal Data and the Trade Secrets and Confidential Information Policy.

#### Q&A:

*I received an e-mail containing confidential pricing information from a competitor against whom we are bidding for a government contract. Can I use this information to improve our bid?*

No. If you receive confidential information under unusual circumstances, send the information back to the owner and delete all copies of it on your system. Do not share the information further.

*I believe disclosure of confidential Company information to a vendor or other third party is necessary and appropriate in connection with a potential transaction. Can I disclose the information?*

First, verify that a business need for such disclosure exists. If it does, consult with your manager as well as ensure that a non-disclosure agreement (NDA) has been executed –you should consult the Legal intranet page for NDA forms. If you still have questions, be sure to consult with the Legal Department before making any disclosure.

### Data Privacy and Protection

Maxeon is committed to handling the personal data of our employees, customers, and others responsibly and in compliance with applicable data protection regulations around the world. We have implemented a variety of security measures to maintain the safety of this information. It is the responsibility of every employee to understand and consent to the Employee Privacy Notice, read and

comply with Maxeon's Global Privacy Policy, and to understand and comply with the data protection regulations that apply to the employee's work at Maxeon.

### **Records Retention**

Work product created by Maxeon personnel and information collected in furtherance of Maxeon's business are important Company assets. Accordingly, Maxeon personnel must always comply with all applicable records management policies and legal hold notices. These policies apply to all records created by Maxeon, including both hard copies and electronic files on your Maxeon computer or mobile device.

*Example:* A diligent HR Specialist saves copies of all correspondence, including all emails. In order to avoid losing emails due to automatic archiving and deletion, the HR Specialist saves work-related emails to a folder on his hard drive. The HR Specialist rarely deletes these emails. This practice likely violates Maxeon's document retention policies, and creates additional legal risk for the company.

For additional information, guidance and advice, read the Records Management Policy and be certain that you understand how they may apply to your work.

### **Authority to Act for Maxeon**

It is your responsibility to know the limits of your authority to obligate Maxeon. Never act outside the limits of your delegated authority.

For additional information, guidance and advice, consult the Corporate Approval Policy and/or your manager.

## **6. REPRESENT YOURSELF AND THE COMPANY ACCURATELY**

### **Accurate Records and Reports**

Accurate records are critical to meeting Maxeon's legal, financial, and management obligations. Never misstate facts, omit critical information or modify records or reports in any way to mislead others, and never assist others in doing so. We maintain books and records that are accurate, complete, and fairly stated. As such, all financial transactions must be correctly and timely recorded in compliance with Maxeon's internal controls and procedures. No unrecorded funds or assets may be created or maintained for any purpose. Creating false or misleading records is strictly prohibited and may violate a number of laws, including the US Sarbanes-Oxley Act, which may trigger both financial and criminal liability for the employee and/or Maxeon due to Maxeon's NASDAQ listing in the United States.

### **Business Expenses**

All Maxeon Personnel must comply with policies and procedures relating to business expenses, such as meal and travel expenses, and are obligated to submit accurate expense reimbursement requests supported by valid documentation. For additional information, guidance and advice, consult the Corporate Travel and Expense Policy.

### **Communicating with our Suppliers and Customers**

We treat our suppliers and customers as we would expect to be treated ourselves. This means that we treat all suppliers and customers fairly. All communications with suppliers and customers should be transparent, accurate, and free from misrepresentations. We deal with suppliers and market and service our products with candor, integrity, and honesty.

### **Responsible Marketing**



Maxeon complies with all legal and regulatory requirements relating to marketing of its products and services. We market our products and services accurately and will not mislead our customers through ambiguity, exaggeration, omission, or by otherwise making false or misleading statements. We will earn our customers' business on our own merit and not by disparaging our competitors or by making false claims about their products or services. All public disclosures or statements made to the media will be clear, contain verifiable facts, and be made by authorized individuals and through authorized channels. For additional information, guidance and advice, read the External Communications Policy.

#### **Public Speaking and Press Inquiries**

Employees may not speak on behalf of Maxeon, including to the media, unless they have been authorized to do so by the Corporate Communications staff. Employees permitted to speak on Maxeon's behalf must always be truthful, accurate, and respectful in their communications.

All inquiries from the press or the financial analyst community must be referred to Corporate Communications or Investor Relations.

*Example:* A Senior Engineer is asked to give a short industry presentation during a conference on current trends in technology in the solar power industry. Before proceeding, the Senior Engineer must receive written approval in advance from the Corporate Communications staff.

For additional information, guidance and advice, read the External Communications Policy.

#### **Social Media**

While Maxeon respects personal privacy, it is important to remember that what you do or say through social media channels may be attributed to Maxeon, even when it is not your intention. Be careful when posting opinions on the Internet and in particular social media such as Facebook and TikTok as well as chat groups on WhatsApp and Viber. Never assume that your posts or messages sent to large groups will be anonymous. Always act with integrity, honesty and fairness and never suggest that your posts are made on behalf of Maxeon unless you receive authorization prior to posting.

## **7. IMPROVE THE PLANET AND THE COMMUNITIES IN WHICH WE OPERATE**

### **Corporate Citizenship**

Maxeon has implemented a comprehensive Environment, Social and Governance (ESG) program, a core initiative that is one of the key ways we live our values. This includes the annual issuance of a Sustainability Report, which is the product of robust reporting on a variety of metrics driven by international industry best standards.

### **Environmental Stewardship**

As a renewable energy company, Maxeon plays an important role in accelerating the transition to a regenerative economy. We are steadfastly committed to conducting a business that promotes a healthy, safe, clean and green environment. We strive to be in-line with best practices in product environmental stewardship. It is our goal to have our company be synonymous with positive environmental impact.

Each employee should embrace it as their goal to preserve and regenerate our environment both individually and organizationally by contributing to Maxeon's global environmental stewardship.

### **Labor Practices – Human Rights and Modern Slavery**

Maxeon is committed to human rights. This means that Maxeon, as well as its business partners and third-party agents, complies with labor laws everywhere it operates. Importantly, we are firmly

committed to fair labor standards and prohibit slavery of all kinds (traditional and modern), human trafficking, child or forced bonded, or any other exploited labor practices, both at Maxeon and throughout our supply chain to the raw materials, including traceability measures in line with industry best practices.

For more information, see our Global Human Rights Policy, available at <https://corp.maxeon.com/esgpolicies>

### **Conflict Minerals**

Maxeon expects its suppliers and partners to know from where their resources originate and to verify that their products are not made using materials from areas of conflict, such as the Democratic Republic of Congo or neighboring countries (Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia, Angola, and the Central Africa Republic). Maxeon is committed to supply chain due diligence in line with Section 1502 of the USA Dodd Frank Act and fully supports efforts to eradicate the use of conflict minerals that may directly or indirectly finance or benefit armed groups.

For more information, see our Conflict Minerals Policy, available at <https://corp.maxeon.com/esgpolicies>

### **Traceability**

Suppliers that have operational risks or use inputs, including raw materials, that are at risk of human rights and modern slavery issues either at their facilities or in their supply chains, may be required to demonstrate additional proof that their supply chains avoid any category risks through demonstrating traceability of supply chains. This will be determined on a case-by-case basis by Maxeon in its sole discretion but in many cases will require suppliers to have systematic traceability measures to ensure the provenance of the products down to the raw materials. Proving this traceability will likely require technological measures (such as for example using Manufacturing Execution System (MES) technology).

### **Social and Traceability Audits**

Maxeon may require, in its sole discretion, suppliers to undergo audits to ensure compliance with the above standards, especially for social compliance at factories and traceability. These may be conducted by internal Maxeon audit teams and/or third parties at Maxeon's discretion. In the case of social audits, Maxeon uses is the SEDEX Sedex Members Ethical Trade Audit (SMETA) methodology as a reference point to Maxeon's standards of social standards for suppliers. For traceability, we use as a reference point the SEAIA Protocol as one framework for how we establish traceability, and expect suppliers to do the same.

### **Grievance Mechanism**

All stakeholders are encouraged to raise any grievances with respect to compliance with the above policies with your manager, Maxeon contact or at our Compliance & Ethics Helpline. Maxeon's Legal team, Human Resources and the Investigations Coordination Committee (when appropriate) will consider any such complaints holistically, investigate and take appropriate actions to remediate.

## **8. THRIVE TOGETHER**

We value a culture of respect and have a long-standing commitment to a work environment that respects the dignity of each individual. We encourage the free exchange of ideas among our employees and strive to create an environment where employees feel comfortable expressing their ideas and opinions. We respect everyone's perspective on how to grow our business and will be open and honest with one another. Put yourself in the shoes of a colleague who may be advocating a position or strategy different than yours. Even if you disagree, consider their alternative view and competing pressures. Do not limit yourself to thinking only about what is best for your line of business or department, but consider what is in the best interest for Maxeon overall.

## **Workplace Safety and Health**

All Maxeon personnel are entitled to a safe, clean, and healthy working environment that complies with all relevant rules, regulations, policies and laws. To facilitate this type of environment, employees must comply with all security policies and procedures and promptly report any concerns or security threats. All jobs and processes should be planned and performed in a safe, healthy, and environmentally-sound manner.

Under no circumstances should anyone bring a weapon to work. Additionally, all business activities must be conducted with all necessary permits, approvals, and controls. Maxeon will not tolerate illegal drug use or intoxication on its premises or when employees are conducting business.

Maxeon's human resources policies are available internally on the Grid Employee Services page.

## **Non-Discrimination**

The diversity of our employees is a tremendous asset. We base employment decisions on merit, job qualifications, performance, and other business-related criteria and will make reasonable accommodations for the known physical or mental disabilities of an otherwise qualified applicant or employee. Maxeon is committed to providing equal opportunity in all aspects of employment and will not tolerate discrimination on the basis of race, creed, color, religion, national origin, sex, disability, sexual orientation, gender identity, age, or affiliation with a political, religious, union organization, or minority group and will comply with all applicable laws.

## **Harassment-Free Work Environment**

Maxeon will not tolerate harassment of any kind. We expect all employees to behave in a respectful and professional manner at all times and avoid engaging in a disrespectful, hostile, violent, intimidating, threatening or harassing manner towards one another. This includes sexual harassment, or harassment based on religion or ethnicity or disability or other identifiable characteristics mentioned above under non-discrimination.

## **Women@Maxeon**

Maxeon places particular focus on its female employees to ensure that they have boundless opportunities. There are numerous programmes throughout the year to support women and also specifically for International Women's Day. Women at Maxeon are empowered to live their best lives (and men are encouraged to become male allies to support this flowering of female talent!).

## **9. ASKING QUESTIONS, RESPONDING TO CONCERNS, AND REPORTING VIOLATIONS**

### **Seeking Guidance**

Situations that may concern a violation of ethics, laws, or our Code may not always be clear and may require difficult judgments. Anyone who is unsure about the appropriateness of an action should ask the following questions:

- Is it legal?
- Is it in line with our Code, and with Maxeon's policies and values?
- How does it appear?
- How does it feel?
- Does it reflect positively on Maxeon?

If the answer to any of these is "no" or "I don't know," you should ask for guidance in resolving the situation.

Remember, our Code cannot address every situation that Maxeon and its personnel may encounter. Accordingly, you should always seek guidance whenever you are unsure of how to proceed when you have concerns. You are encouraged to contact your immediate supervisor. However, if you are uncomfortable discussing the matter with him or her, or if the response to your query is insufficient, you should contact your local HR manager, your supervisor's supervisor (and up the reporting structure, as necessary), the Chief Ethics and Compliance Officer, or the [Compliance & Ethics Helpline](#).

### **Maxeon Compliance & Ethics Helpline (also known as 'Whistleblower Hotline')**

The [Compliance & Ethics Helpline](#) is available 24 hours a day, 7 days a week online or by phone to answer your questions on business conduct issues, policies, regulations and compliance with legal requirements. It also allows you to report known or potential violations of the law or our Code to Maxeon. When making a report, the more information you can provide, the easier it will be for Maxeon to investigate and appropriately respond to your report.

Reports may be made in multiple languages. An independent third party administers the Helpline, including web-based reports. Where permitted, you may report anonymously. Caller ID is never used and there will be no effort to trace your call.

The Helpline is committed to keeping your issues and identity confidential. Your information will be shared only with those who have a need to know, such as those involved in answering your questions or investigating and correcting issues you raise. If your information involves, finance, accounting, or auditing, the law may require that necessary information be shared with the Board of Directors.

For violations of accounting and audit matters in particular, please refer to the Whistleblower Policy Regarding Accounting and Auditing Matters, available at <https://corp.maxeon.com/esgpolicies>.

### **Reporting Violations**

You may report actual or possible violations of the law or our Code through any of the following channels:

- Maxeon's [Compliance & Ethics Helpline](#);
- Any member of Maxeon's leadership;
- Your immediate supervisor;
- The appropriate Legal Counsel for your region, the Chief Legal Officer, or any other member of the Legal Department; or
- A member of Human Resources.

**Receiving Reports of Violations:** Anyone who receives a report of an actual or possible violation of our Code must:

- forward the report to Maxeon's [Compliance & Ethics Helpline](#);
- retain the report in confidence; and
- refrain from personally investigating the report.

**Failure to Report Violations:** Failure to report a violation of the law or our Code is itself a violation of our Code and may result in disciplinary action, including possible termination of employment.

### **Cooperation**

Maxeon personnel are expected to cooperate fully with any Maxeon or governmental investigation of alleged violations of our Code, laws or regulations. Maxeon personnel are required to keep their knowledge and participation in any investigation confidential to help safeguard the integrity of the investigation. However, nothing in our Code precludes an employee from reporting a violation of law to a government agency, or from cooperating in any governmental investigation.

### **Non-Retaliation**

Maxeon will not tolerate retaliation against any employee who makes a report in good faith about a violation or possible violation of applicable law or our Code, or who participates in any investigation conducted internally or by a government enforcement agency. Employees who believe that they have been subject to retaliation should promptly report it using appropriate reporting channels listed below. This non-retaliation policy applies to:

- all complaints received by Maxeon about accounting, internal controls, or auditing matters; and
- the reporting of information about any possible violation of applicable laws or our Code that the reporter reasonably believes has occurred, is ongoing, or is about to occur.

Q&A:

*What does non-retaliation mean?*

Anyone who in good faith reports a possible violation of our Code, or assists in the investigation of a reported violation of our Code, will be protected by Maxeon. Similarly, any person who reasonably reports any possible violation of national or local laws or regulations will be protected. This protection continues even if the report ultimately proves to be incorrect after it is investigated.

### **Consequences for Violating our Code**

Violating any law or our Code is a serious matter. If Maxeon determines that an employee has violated the law or our Code, that individual will be subject to disciplinary action, including possible termination of employment, loss of employment-related benefits, and, if applicable, criminal or civil proceedings. Further, Maxeon's incentive plans and programs require compliance with the law and our Code as a condition of participation and receiving an award. An employee who violates the law within the scope of his or her employment, or who commits a serious violation of our Code, is not entitled to incentive compensation, including annual or semi-annual cash bonuses, stock options, restricted stock units, or other awards, unless prohibited by law.

1) The following Maxeon policies are available at <https://corp.maxeon.com/esgpolicies>

Referenced and Important Maxeon Policies
<b>Maxeon Committee Charters</b>
Audit Committee Charter
Compensation Committee Charter
Nominating and Corporate Governance Committee Charter
<b>Governance Documents</b>
Board Diversity Statement
Code of Ethics and Business Conduct (English)
Code of Ethics and Business Conduct (Chinese)
Code of Ethics and Business Conduct (Spanish)
Code of Ethics and Business Conduct (French)
Code of Ethics and Business Conduct (Japanese)
Code of Ethics and Business Conduct (Malay)
Code of Ethics and Business Conduct (Tagalog)
Corporate Governance Principles
Related Party Transactions
<b>Environmental, Social and Corporate Governance Policies</b>
Conflict Minerals Policy
Global Anti-Corruption Compliance Policy (English)
Global Anti-Corruption Compliance Policy (Chinese)
Global Anti-Corruption Compliance Policy (Spanish)
Global Anti-Corruption Compliance Policy (French)
Global Anti-Corruption Compliance Policy (Japanese)
Global Anti-Corruption Compliance Policy (Malay)
Global Anti-Corruption Compliance Policy (Tagalog)
Global Human Rights Policy
Insider Trading Policy (English)

Referenced and Important Maxeon Policies
Insider Trading Policy (Chinese)
Insider Trading Policy (Spanish)
Insider Trading Policy (French)
Insider Trading Policy (Japanese)
Insider Trading Policy (Malay)
Insider Trading Policy (Tagalog)
Gifts and Entertainment
Powering a Circular Economy
Supplier Sustainability Guidelines
Whistleblower Policy Regarding Accounting and Auditing Matters (English)
Whistle Blower Policy Regarding Accounting & Auditing Matters (Chinese)
Whistle Blower Policy Regarding Accounting & Auditing Matters (Spanish)
Whistle Blower Policy Regarding Accounting & Auditing Matters (French)
Whistle Blower Policy Regarding Accounting & Auditing Matters (Japanese)
Whistle Blower Policy regarding Accounting & Auditing Matters (Malay)
Whistle Blower Policy Regarding Accounting & Auditing Matters (Tagalog)

- 2) The following Maxeon policies are available at Maxeon Document Management System (OneDMS) which is accessible by Maxeon employees only. If you would require a copy of these policies, please contact us at [legalops@maxeon.com](mailto:legalops@maxeon.com)

Referenced and Important Maxeon Policies
Acceptable Use Policy
Conflict of Interest Disclosure Form
Corporate Approval and Signature Policy
Corporate Travel and Expense Policy
External Communication Policy
Records Management

Key Maxeon Compliance Resources and Responsibilities	
Resource	Responsibility
<p><b>Chief Legal Officer and Chief Ethics and Compliance Officer</b> Currently: Lindsey Wiedmann</p> <p><b>Deputy Chief Ethics and Compliance Officer</b> Currently: Matthew Kasdin</p>	<ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Environment, Social and Governance (ESG)</li> <li>• Anti-Corruption</li> <li>• Sanctions</li> <li>• Conflicts of Interest</li> <li>• Modern Slavery</li> <li>• Export and International Trade</li> <li>• Corporate Approval Policy</li> <li>• Insider Trading</li> <li>• Government Incentives and Contracting</li> <li>• Compliance and Ethics Helpline</li> <li>• Whistleblower Policy</li> </ul>
<p><b>Chief Human Resources Officer</b> Currently: Tiffany See</p>	<ul style="list-style-type: none"> <li>• Human Resources</li> <li>• Diversity, Equity and Inclusion</li> </ul>
<p><b>Chief Information Security Officer</b> Currently: Stephen Gani</p>	<ul style="list-style-type: none"> <li>• Company-wide information security programs</li> </ul>
<p><b>Vice President, Global Marketing &amp; Sales Enablement</b> Currently: Valentina Maggiore</p>	<ul style="list-style-type: none"> <li>• Marketing and Communications</li> </ul>
<p><b>Legal Director, Products &amp; Technology</b> Currently: Marc Robinson</p>	<ul style="list-style-type: none"> <li>• Data Privacy</li> </ul>
<p><b>Director, Internal Audit</b> Currently: Fidel Elefante</p>	<ul style="list-style-type: none"> <li>• Sarbanes Oxley Act ("SOX") Compliance</li> <li>• Investigation Coordination Committee</li> <li>• Risk Management</li> <li>• Enterprise Risk Management</li> <li>• Audit Consulting</li> </ul>
<p><b>Director, EHS</b> Currently: Chin Siang Yeo</p>	<ul style="list-style-type: none"> <li>• Environment, Health and Safety</li> </ul>
	<ul style="list-style-type: none"> <li>•</li> </ul>







## INSIDER TRADING POLICY

First adopted on August 20, 2020  
As of 5 April 2024

### 1 Purpose

This Insider Trading Policy (the “Policy”) applies to all members of the Board of Directors, officers, employees, and consultants (referred to collectively as “Company Personnel”) of Maxeon Solar Technologies Ltd. and of its subsidiaries (all of which are referred to collectively for convenience as the “Company”). The Company may determine that other persons who have access to material nonpublic information should be subject to this Policy. This Insider Trading Policy also applies to family members of Company Personnel, other members of Company Personnel household, and entities controlled by a Company Personnel.

This Policy provides guidelines with respect to transactions in the securities of the Company and the handling of confidential information about the Company and the companies with which the Company engages in transactions or does business with. The Company’s Board of Directors has adopted this Policy to promote compliance with U.S. federal, state and foreign securities laws that prohibit certain persons who are aware of material nonpublic information about a company from: (i) engaging in transactions in the securities of that company; or (ii) providing material nonpublic information to other persons who may trade on the basis of that information. In addition, as the Company is incorporated in Singapore, trading in the securities of the Company is subject to the laws of Singapore, including the relevant provisions under the Securities and Futures Act (Chapter 289 of Singapore) (“SFA”). The SFA applies to acts both occurring within and outside Singapore. If companies like ours do not take active steps to adopt preventive policies and procedures covering securities trades by Company Personnel, the consequences could be severe.

This Policy applies to all transactions in the Company’s securities, including common stock, options for common stock and any other securities the Company may issue from time to time, such as preferred stock, warrants, bonds, notes, debentures, convertible instruments, put or call options (i.e., exchange-traded options), or other similar instruments. Transactions subject to this Policy also include *bona fide* gifts of the Company securities.

We maintain this Insider Trading Policy to avoid even the appearance of improper conduct on the part of anyone employed by or associated with our company (not just so-called insiders). We have all worked hard to establish our reputation for integrity and ethical conduct. We cannot afford to have it damaged.

### 2 The Consequences

Penalties for trading on or communicating material nonpublic information are severe, both for individuals involved in such unlawful conduct and their employers. A person can be subject to some or all of the penalties below even if he or she does not permanently benefit



from the violation. Penalties include:

- jail sentences of up to 20 years;
- criminal fine (no matter how small the profit) up to \$5,000,000 and, in the case of entities only, a criminal penalty of up to \$25,000,000;
- civil fines for the person who committed the violation of up to three times the profit gained or loss avoided, whether or not the person actually benefited;
- civil fines for the employer or other controlling/supervisory person of up to the greater of \$1,000,000 or three times the amount of the profit gained or loss avoided;
- disgorgement of profits including reasonable interest
- civil injunctions; and
- barring individuals from serving as officers or directors of publicly-traded companies.

Moreover, if an employee violates the Company's Insider Trading Policy, Company-imposed sanctions, including dismissal for cause, could result. Needless to say, any of the above consequences, even an SEC investigation that does not result in prosecution, can tarnish one's reputation and irreparably damage a career. Finally, it should be noted that there are no limits on the size of a transaction that will trigger insider trading liability. In the past, relatively small trades have resulted in SEC investigations and lawsuits.

In addition to sanctions against an individual who trades illegally, penalties may be assessed against what are known as "controlling persons" with respect to the violator. The term "controlling person" may include employers, its directors, officers and managerial and supervisory personnel. Individuals may also be considered "controlling persons" with respect to any other individual whose behavior they have the power to influence. For this reason, the Company's supervisory personnel are directed to take appropriate steps to ensure that those they supervise, understand and comply with the requirements set forth in this Policy.

### 3. Our Policy

**No Trading on the Basis of Material Nonpublic Information.** Company Personnel subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not engage in transactions in Company securities while in possession of material nonpublic information. If any Company Personnel is in possession of material nonpublic information (often referred to as "insider information") relating to our Company, that person cannot, and cannot procure another person to, subscribe for, buy or sell securities of the Company or enter into an agreement to subscribe for, buy or sell securities of the Company, or engage in any other action to take advantage of, or pass on to others, that information. This Policy also prohibits buying or selling securities of other companies while in possession of material nonpublic information about those companies obtained in the course of performing services for the Company, including but not limited to our customers, partners and suppliers, our major shareholders (TotalEnergies Solar INTL SAS ("Total Solar") and TotalEnergies Gaz Electricité Holdings France SAS ("TGEHF," and together with Total Solar, "TotalEnergies") and Zhonghuan Singapore Investment and Development Pte. Ltd. (together with its parent company, TCL



Zhonghuan Renewable Energy Technology Co., Ltd., “TZE”)), and competitors or counterparties in a merger, acquisition or other strategic transaction.

Transactions that may be justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

The term “trade” or “trading” means broadly any purchase, sale or other transaction to acquire, transfer or dispose of securities, including market option exercises, gifts or other contributions, exercises of stock options granted under the Company’s stock plans, sales or purchases of stock upon the exercise of options and trades made under an employee benefit plans.

**When is Information Material?** You should assume that information is material if a reasonable investor would consider the information to be important in deciding whether to buy, hold or sell securities of the Company. In short, information is material if you would expect its dissemination to affect the price of our stock. Either positive or negative information may be material. It can be information about the Company or about a company with which we do business.

**Examples:** Common examples of information that will frequently be regarded as material are:

- quarterly earnings, financial results and results of operations;
- projections of future sales, earnings, losses or other similar financial information;
- significant changes in backlog;
- news of a possible joint venture, merger, acquisition or tender offer, including any non-public expressions of interest in such matters from third parties;
- news of a significant sale of assets;
- significant new products or significant delays in previously announced product introduction or development;
- discoveries with the prospect of leading to new products with significant market potential or grants, allowances or disallowances of patents covering key aspects of products with significant market potential;
- changes in dividend policies, the declaration of a stock split or the offering of additional securities;
- a change of control or changes in management or board membership;
- significant transactions with related parties or material changes to existing contracts and arrangements with related parties;
- significant capital expenditures or borrowings;
- plans to raise additional capital through stock sales or otherwise;
- a call of securities for redemption or establishment of, or changes to, a program for the Company to repurchase its own stock;
- the gain or loss of a significant product sale or customer which would materially



- alter the Company's financial position or internal revenue forecast;
- significant regulatory actions concerning existing, new or proposed products;
  - significant changes in operating or financial circumstances, such as cash flow reductions or major write-offs;
  - financial liquidity problems or impending bankruptcy;
  - any action or event which had or is likely to have a special or extraordinary charge against earnings or capital;
  - the threat of new significant litigation, investigations, or enforcement actions, or important developments in existing significant litigation, investigations, or enforcement actions;
  - any significant labor disputes or hiring freezes;
  - significant developments regarding customers (e.g., significant new sales or contract renewals, breach of contract, lost sales or contract expirations);
  - significant developments regarding suppliers (e.g., loss of a supplier, new suppliers, new partnership relationships or joint development projects);
  - changes in the Company's auditors or a notification from its auditors that the Company may no longer rely on the auditors' audit report;
  - a material cybersecurity incident, such as a data breach, or any other significant disruption in the company's operations or loss, potential loss, breach of unauthorized access of its properties or assets, whether at its facilities or through its information technology infrastructure; and other
  - significant risks or incidents relating to data protection or privacy;
  - significant matters which could affect the market for Company securities, such as the intention by any party to buy or sell a large amount of Company securities; and
  - other events or developments that the Company elects or is required to disclose in a Form 6-K to be filed with the SEC.

The list of examples provided above is not exhaustive and other events may give rise to information that may be material and if disseminated would be expected to impact the price of our stock.

**When is Information Nonpublic?** Information is "nonpublic" if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors through a report filed with the SEC or through media such as Dow Jones, Reuters Economic Services, The Wall Street Journal, or Associated Press. The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination. In addition, even after a public announcement of material information, a reasonable period of time must elapse in order for the market to react to the information. Furthermore, the public dissemination of information may be only general in nature and thus an insider may still be deemed to possess material nonpublic information with respect to a matter that is publicly disclosed. When in doubt, please contact the Chief Legal Officer ("CLO").

**When Information is Public.** It is also improper for Company Personnel to enter a trade



immediately after the Company has made a public announcement of material information, including earnings releases, before the market has had the opportunity to digest the information. We consider two full trading days following disclosure of material nonpublic information as a reasonable waiting period before such information is deemed to be public. Therefore, for example, if an announcement is made before the commencement of trading on a Monday, an employee may trade in Company securities starting on Wednesday of that week, because two full trading days would have elapsed by then (that is, all of Monday and Tuesday). As further examples, if the announcement is made on Monday after trading begins, employees may not trade in Company securities until Thursday, and if the announcement is made on Friday after trading begins, employees may not trade in Company securities until Wednesday of the following week. Note that this restriction is in addition to any other restrictions that apply under this Policy, including the requirement that trades be pre-cleared and that they occur during specified trading windows.

**20/20 Hindsight.** Remember, if your securities transactions become the subject of scrutiny, they will be reviewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.

**Transactions by Household Members.** Your family members, as well as individuals living in your household also may not buy or sell Company securities or securities of other companies while in possession of material nonpublic information about the Company or such other companies that you obtained in the course of performing services for the Company. Company Personnel are expected to be responsible for compliance by members of their household.

**Do Not Pass Information to Others.** Whether the information is proprietary information about our Company or information that could have an impact on our stock price, Company Personnel must not pass the information on to others. It is illegal to advise others to trade on the basis of material nonpublic information. Liability in these cases can extend to both the “tippee” – the person to whom the insider disclosed inside information – and you, as the “tipper,” and will apply whether or not you derive any benefit from another’s actions.

**Pre-Clearance of Trades.** To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an employee or consultant engages in a trade while unaware of a pending major development), all members of the Board of Directors, executive officers, the Corporate Controller and their direct reports, group treasurer, head of the investor relations team, direct reports to the CLO and such other persons as may be designated from time to time and informed of such status by the Company’s CLO (the “Key Insiders”) are subject to pre-clearance in writing or e-mail confirmation by our CLO, or if the CLO is unavailable, a delegate, of all transactions in Company stock (acquisitions, dispositions, transfers, etc.). To facilitate timely response, such individuals should submit an e-mail or written request for pre-clearance of a transaction no less than two (2) business days before the proposed



date of execution of the transaction. Pre-clearance is subject to a [four calendar day] expiration and if the pre-cleared transaction has not occurred before such expiration, the applicant must submit a new pre-clearance request. The CLO may not trade in Company securities unless the Company's Chief Executive Officer ("CEO") has approved the trade in accordance with the procedures set forth in this Insider Trading Policy.

Pre-clearance does not relieve anyone of his or her responsibility under SEC rules. All Company Personnel, whether subject to pre-clearance or not, are responsible for adhering to this Insider Trading Policy and shall not trade while in possession of material non-public information or trade in violation of applicable blackout period restrictions, as discussed below. If any employee or consultant is in doubt of whether or not trading is permissible, the employee or consultant should inquire with our legal department as a cautionary measure.

**Trading Blackouts.** In addition to the general prohibition on trading while in possession of material nonpublic information, certain Company Personnel will be prohibited from trading Company securities under certain circumstances and during regularly recurring quarterly trading blackout periods, whether or not they actually possess material nonpublic information during such time. Individuals subject to trading blackout restrictions must terminate or withdraw any open limit orders or other unexecuted trade request before the applicable trading blackout period begins.

- **Limited Trading Blackouts** - From time to time, the Company may require that certain Company Personnel and others suspend trading because of developments known to the Company and not yet disclosed to the public. In that event, these persons are prohibited from engaging in any transaction involving the purchase or sale of the Company's securities during that period and should not disclose to others the fact that they have been suspended from trading.
- **Quarterly Trading Blackouts** - All individuals identified on Exhibit A, which may be updated from time to time, will be subject to a trading blackout period beginning two weeks before the end of a fiscal quarter until two full trading days after earnings for that quarter are released. During the trading blackout period, such individuals are not allowed to trade in Company securities. Thus, if an earnings press release is made at 1:00 p.m. on a Monday, Thursday would be the first day on which trading may recommence. A consultant will be notified in writing or by e-mail if he or she is subject to this quarterly trading blackout restriction.

**Exception for Some Option Exercises.** Cash exercise of options, i.e., where you deliver payment of cash to satisfy the exercise price of an option, currently can be done at any time. However, stock that was acquired upon exercise of a stock option will be treated like any other stock and may not be sold by an employee who is in possession of material nonpublic information. The trading prohibition also does not apply to: (i) the mandatory sale of shares and use of proceeds of such sale to satisfy tax withholding requirements for income on shares vested under an equity award, if provided for in the equity award



agreement; and (ii) the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares subject to an equity award to satisfy tax withholding requirements. Cashless exercises or same day sales and exercise of options are prohibited during trading blackouts, as are any other market sales for the purpose of generating the cash needed to pay the exercise price of an equity award.

**Exceptions for Certain Transactions.** This Policy will not apply to purchases of securities from the Company or sales of securities to the Company that do not involve an open market transaction including automatic acquisitions of Company securities under Company sponsored plans, including any employee stock purchase or qualified retirement (401(k)) plan or dividend reinvestment plan; provided, that any elections to participate in such plans or to increase or decrease your participation under these plans, may not be made while the Company Personnel is in possession of material nonpublic information or subject to a special trading blackout or while the Company's trading window is closed.

**Exception for Approved 10b5-1 Plans.** Any individual may at his or her discretion establish a pre-planned trading program (a "Trading Plan") designed to enable such person to take advantage of the defense to an allegation of insider trading offered by Rule 10b5-1 of the SEC. Trades that are executed pursuant to a Trading Plan that is established according to the requirements described below do not require pre-clearance as outlined above. An individual's trades under a Trading Plan may also proceed during trading blackouts and even when the individual may possess material nonpublic information. SEC Rule 10b5-1 provides an affirmative defense from insider trading liability under the U.S. federal securities laws for transactions effected pursuant to Trading Plans that meet certain requirements, but it does not prevent someone from bringing a lawsuit. This Insider Trading Policy permits individuals to adopt a Trading Plan with brokers that outlines a pre-set plan for trading of the Company's securities, including the exercise of options or the sale or purchase of Company shares. Any such Trading Plan must be in writing and approved at least five days in advance by (i) the CLO or in the CLO's absence, the Senior Corporate Counsel, and (ii) the CEO or the Chief Financial Officer ("CFO"), or in the CFO's absence, the Treasurer; and a copy of the approved plan must be filed with the CLO. We will be under no obligation to approve such a Trading Plan and will only do so if we believe the plan will meet the requirements of Rule 10b5-1 and will not be adverse to our overall corporate objectives. Please refer to **Annex 1** for the specific requirements that apply to the establishment and/or modification of each Trading Plan.

We may choose to publicly announce the establishment of a Trading Plan with respect to a given individual.

Establishing a Trading Plan does not exempt individuals from complying with the Section 16 six-month short swing profit rules or liability thereunder, to the extent applicable.

**Revocation/Amendments to Plans.** An individual may revoke his or her Trading Plan at any time, but any amendments or modifications to a Trading Plan may only be effected when the individual is not subject to a trading blackout and when the individual is not in possession of





material nonpublic information. Any amendment or modification to a Trading Plan will be subject to the same pre-clearance and approval provisions applicable to the adoption of a Trading Plan. We discourage amendments to Trading Plans. Further, revocation of a Trading Plan should occur only in unusual circumstances and requires prior review and approval by the CLO. Revocation or amendment is effective upon written notice to the broker. However, if the individual revokes or amends his or her Trading Plan, then the individual must agree that any trading under a new or revised Trading Plan will not commence until the cooling off period described above has passed for the creation of a new Trading Plan or amendment of an existing Trading Plan and all the other requirements under Rule 10b5-1(c) have been complied with.

Under certain circumstances, a Trading Plan must be suspended or terminated. This may include circumstances that would cause the transaction either to violate the law or to have an adverse effect on the Company. The legal department, the CFO, the Treasurer, and the Company's stock plan administrator are authorized to notify the broker in such circumstances.

- **Director and Officer Trading During Pension and 401(k) Plan Blackouts periods.** In response to the restrictions set forth in the Sarbanes-Oxley Act of 2002, directors and officers of the Company are prohibited from trading Company securities during pension and 401(k) plan blackouts, if any.

#### **4. Additional Prohibited Transactions**

Because we believe it is improper and inappropriate for any Company Personnel to engage in short-term or speculative transactions involving Company stock, it is the Company's policy that Company Personnel should not engage in any of the following activities with respect to securities of the Company. We believe that this sort of trading can reflect badly on the Company and Company Personnel are prohibited from engaging in any types of transaction that are commonly viewed as a form of "betting" for or against the Company or otherwise hedging their ownership of Company securities:

- **Pledging Company securities or purchases of Company securities on margin** - This means borrowing from a brokerage firm, bank or other entity in order to buy Company stock (other than in connection with a so-called "cashless" exercise of options under the Company's stock plans). Securities held in a margin account or pledged as collateral for a loan may be sold without your consent by the broker if you fail to meet a margin call or by the lender in foreclosure if you default on the loan. A margin or foreclosure sale that occurs when you are aware of material nonpublic information may, under some circumstances, result in unlawful insider trading. Because of this danger, Company Personnel should not hold Company securities in a margin account or pledge Company securities as collateral for a loan.
- **Short sales of Company securities** - This involves selling Company stock that you do not own in the expectation that the price of the stock will fall, or as part of an arbitrage



transaction. These types of activities are inherently speculative in nature and contrary to the best interests of the Company and its stockholders. Accordingly, all Company Personnel are prohibited from selling the Company's stock short.

- **Any hedging of Company stock** - All Company Personnel are prohibited from hedging their ownership of Company securities. This prohibition covers all hedging transactions (including, without limitation, transactions involving options, puts, calls, prepaid variable forward contracts, equity swaps, collars, exchange traded funds or other derivatives) that are designed to hedge or speculate on any change in the market value of the Company's securities. Such short-range speculative activities may put the personal gain of the employee or other Company Personnel in conflict with the best interests of the Company and its stockholders. This policy does not pertain to employee stock options granted by the Company. Employee stock options cannot be traded.

## 5. Confidential Information and Communications with the Media

Unauthorized disclosure of internal information relating to the Company (including information regarding new products, the Company's customers, partners or suppliers, TotalEnergies, TZE and competitors or counterparties in a merger, acquisition, or other strategic transaction) could cause competitive harm to the Company and in some cases could result in liability for the Company.

- **Unauthorized Disclosure.** Company personnel should not disclose internal information about the Company to anyone outside the Company, except as required in the performance of regular duties for the Company.
- **Communications with Media, Securities Analysts and Investors.** Communications on behalf of the Company with the media, securities analysts and investors must be made only by specifically designated representatives of the Company according to the approved Communications Policy.
- **Safeguarding Confidential Information.** Care must be taken to safeguard the confidentiality of internal information. For example, sensitive documents should not be left lying on desks, and visitors should not be left unattended in offices containing internal Company documents. For additional information, see the Company's Code of Ethics and Business Conduct.
- **Rumors.** Rumors concerning the business and affairs of the Company may circulate from time to time. Our general policy is not to comment upon those rumors. Individual employees and consultants should also refrain from commenting upon or responding to rumors and should refer any requests for comments or responses to the CFO or in his absence the CEO.

## 6. Post-termination Transactions

This Policy continues to apply to transactions in the Company's securities after termination



of service to the Company. If an individual is in possession of material nonpublic information when his or her service terminates, that individual may not trade in the Company's securities until any such material nonpublic information has become public or is no longer material. If the individual is subject to a trading blackout (whether a limited blackout or a quarterly blackout) at the time of the termination of his or her service, that individual may not trade in Company securities until the applicable blackout period has ended. The pre-clearance procedures specified above will cease to apply to transactions in the Company's securities upon the end of the applicable trading blackout period, at which point the provisions of this Policy requiring pre-clearance shall no longer apply.

#### **7. Applicability of U.S. Securities Laws to International Transactions.**

All employees of the Company and its subsidiaries are subject to the restrictions on trading in Company securities and the securities of other companies. The U.S. securities laws may be applicable to the securities of the Company's subsidiaries or affiliates, including TotalEnergies, TZE, and their respective affiliates, even if they are located outside the United States. Transactions involving securities of subsidiaries or affiliates should be carefully reviewed by counsel for compliance not only with local law but also for possible application of U.S. securities laws.

#### **8. Company Assistance.**

Any person who has any questions about specific transactions may obtain additional guidance from our CFO or the CLO. Remember, however, the ultimate responsibility for adhering to this Insider Trading Policy and avoiding improper transactions rests with you. In this regard, it is imperative that you use your best judgment.

#### **9. Administration & Modifications.**

This Insider Trading Policy has been approved by the Company's Board of Directors. The Nominating and Corporate Governance Committee should oversee compliance with this Insider Trading Policy and report on such compliance to the Board. The Nominating and Corporate Governance Committee should also review this Insider Trading Policy no less frequently than annually and recommend any changes to the Board for its approval and adoption.

**Compliance Officer.** The Company has designated the CLO as the individual responsible for administration of this Policy (the "Compliance Officer"). The duties of the Compliance Officer include the following:

- A. Administering this Policy and enforcing compliance with all Policy provisions and procedures.
- B. Reviewing and either approving or denying all proposed trades by Key Insiders (as defined herein) in accordance with the procedures set forth herein.
- C. After discussing with the management, designating and announcing special trading blackout periods during which certain insiders may not trade in Company securities.



- D. Providing copies of this Policy and other appropriate materials to all new insiders.
- E. Administering, monitoring and enforcing compliance with all federal and state insider trading laws and regulations.
- F. Approving Rule 10b5-1 plans for Key Insiders.
- G. Making non-substantive modifications to this Insider Trading Policy (including, without limitation, substitution of the names of the appropriate contact persons within the Company and modifications of Exhibit A) without prior approval of the Company's Board of Directors.

The Compliance Officer may designate one or more individuals who may perform the Compliance Officer's duties in the event that the Compliance Officer is unable or unavailable to perform such duties.

**10. No Circumvention.**

No circumvention of this Insider Trading Policy is permitted; individuals must not try to accomplish indirectly what is prohibited directly by this Insider Trading Policy.

**11. Acknowledgements**

All individuals subject to this Insider Trading Policy must certify that they have read and intend to comply with the procedure set forth in this policy. Such certification may be submitted either in writing or through electronic means made available by Human Resources as part of its online training programs.



Exhibit A

**Persons Subject to Regular Quarterly Black-Out Periods**

All members of the following groups, departments or personnel:

- Board of Directors
- CEO and the Executive Leadership Team
- Any other direct Reports to the CEO
- Direct reports to the Executive Leadership Team
- Director-level and above employees
- Administrative Assistants to CEO and CEO Direct Reports
- Stock Administration
- Internal Audit
- Disclosure Committee
- Corporate Controller
- Investor Relations
- Corporate Communications

Any other persons notified by the CEO, CFO, Legal department, or Stock Administration department.



## ANNEX 1

### **Rule 10b5-1 Trading Plan Requirements**

Trading Plans should be established in accordance with the following requirements:

- The Trading Plan should include sufficiently specific parameters, such as amount, price and date of the securities trades, or should include a written formula or algorithm for determining the trade terms.
- Trading Plans are to be implemented only during open windows and when the individual is not aware of any material nonpublic information.
- An individual who has established a Trading Plan must act in good faith with respect to the Trading Plan throughout the duration of such Trading Plan.
- The first trade under a new Trading Plan should be at least:
  - for directors and any executive officer (including those who are required to file reports under Section 16 of the Exchange Act, if applicable), the later of: (1) 90 days after the creation of the Trading Plan; and (2) two business days following the disclosure in a periodic report of the Company's financial results for the fiscal quarter in which the Trading Plan was created (but not to exceed 120 days following creation of the Trading Plan); or
  - for persons other than the Company, a director or executive officer, 30 days after the creation of the Trading Plan.

Such period prior to the first trade being referred to as the "cooling off period".

- An individual may only have one outstanding Trading Plan at any time. However, this restriction does not apply to:
  - two separate Trading Plans maintained at the same time, so long as one of them only authorizes qualified sell-to-cover transactions (i.e. transactions for the sale of securities as are necessary to satisfy tax withholding obligations incident to the sale or purchase of vested stock units);
  - a series of separate contracts with different broker-dealers or other agents acting on behalf of the individual to execute trades of securities held in separate accounts, may be treated as a single "plan" provided that the contracts with each broker-dealer or other agent, when taken together as a whole, meet all of the applicable conditions of Rule 10b5-1; or
  - two separate Trading Plans maintained at the same time, so long as trading under the later-commencing Trading Plan is not authorized to begin until after all trades under the earlier-commencing Trading Plan are completed or expire without execution and the applicable cooling off period has been complied with in connection with the later commencing Trading Plan.
- The affirmative defense will only be available for one single-trade plan in a



consecutive twelve-month period. A Trading Plan "designed to effect" the open-market purchase or sale of the Company's securities as a single transaction will not receive the benefit of the affirmative defense unless the individual who entered into the Trading Plan has not, during the prior 12-month period, adopted another Trading Plan that was designed to effect the open-market purchase or sale in a single transaction. This restriction does not apply to Trading Plans authorizing only qualified sell-to-cover transactions or where the broker retains discretion over whether to execute the contract, instruction, or plan as a single transaction.

- All Trading Plans, including any modifications to a Trading Plan, should include a representation from directors and executive officers at the time of the adoption or modification that (1) they are not aware of material nonpublic information about the Company or its securities, and (2) they are adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5.





**Certification by the Chief Executive Officer**  
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, William Mulligan, certify that:

1. I have reviewed this Annual Report on Form 20-F of Maxeon Solar Technologies, Ltd. (the "Company");
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 Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer 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 Company 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 Company, 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 Company'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 Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company'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 Company'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 Company's internal control over financial reporting.

Date: May 30, 2024

By: /s/ William Mulligan  
Name: William Mulligan  
Title: Director and Chief Executive Officer

**Certification by the Chief Financial Officer**  
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Kai Strohbecke, certify that:

1. I have reviewed this Annual Report on Form 20-F of Maxeon Solar Technologies, Ltd. (the "Company");
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 Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer 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 Company 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 Company, 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 Company'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 Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company'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 Company'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 Company's internal control over financial reporting.

Date: May 30, 2024

By: /s/ Kai Strohbecke  
Name: Kai Strohbecke  
Title: Chief Financial Officer

**Certification by the Chief Executive Officer**  
**Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Maxeon Solar Technologies, Ltd. (the "Company") on Form 20-F for the fiscal year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William Mulligan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 30, 2024

By: /s/ William Mulligan  
Name: William Mulligan  
Title: Director and Chief Executive Officer

**Certification by the Chief Financial Officer**  
**Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Maxeon Solar Technologies, Ltd. (the "Company") on Form 20-F for the fiscal year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kai Strohbecke, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 30, 2024

By: /s/ Kai Strohbecke  
Name: Kai Strohbecke  
Title: Chief Financial Officer

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form F-3 No. 333-268309) of Maxeon Solar Technologies, Ltd.,
2. Registration Statement (Form F-3 No. 333-265253) of Maxeon Solar Technologies, Ltd.,
3. Registration Statement (Form F-3MEF No. 333-255263) of Maxeon Solar Technologies, Ltd.,
4. Registration Statement (Form F-3 No. 333-248564) of Maxeon Solar Technologies, Ltd., and
5. Registration Statement (Form S-8 No. 333-241709) pertaining to the 2020 Omnibus Incentive Plan of Maxeon Solar Technologies, Ltd.;

of our reports dated May 30, 2024, with respect to the consolidated and combined financial statements of Maxeon Solar Technologies, Ltd. and the effectiveness of internal control over financial reporting of Maxeon Solar Technologies, Ltd. included in this Annual Report (Form 20-F) of Maxeon Solar Technologies, Ltd. for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Singapore  
May 30, 2024



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**MAXEON SOLAR TECHNOLOGIES, LTD.**

**COMPENSATION RECOVERY POLICY**

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A. OVERVIEW

In accordance with Rule 5608 (Recovery of Erroneously Awarded Compensation) of The Nasdaq Stock Market (the "**Nasdaq Rules**"), Section 10D and Rule 10D-1 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") ("**Rule 10D-1**"), the Board of Directors (the "**Board**") of Maxeon Solar Technologies, Ltd. (the "**Company**") has adopted this Compensation Recovery Policy (the "**Compensation Recovery Policy**") to provide for the recovery of erroneously awarded Incentive-based Compensation from Executive Officers. All capitalized terms used and not otherwise defined herein shall have the meanings set forth in Section H, below.

B. RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

- (1) In the event of an Accounting Restatement, the Company will reasonably promptly recover the Erroneously Awarded Compensation Received in accordance with Nasdaq Rules and Rule 10D-1 as follows:
  - (i) After an Accounting Restatement, the Audit Committee or, in the event the Compensation Committee becomes composed entirely of independent directors, the Compensation Committee (the "**Committee**") shall determine the amount of any Erroneously Awarded Compensation Received by each Executive Officer and shall promptly notify each Executive Officer with a written notice containing the amount of any Erroneously Awarded Compensation and a demand for repayment or return of such compensation, as applicable.
    - (a) For Incentive-based Compensation based on (or derived from) the Company's stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement:
      - i. The amount to be repaid or returned shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the Company's stock price or total shareholder return upon which the Incentive-based Compensation was Received; and
      - ii. The Company shall maintain documentation of the determination of such reasonable estimate and provide the relevant documentation as required to the Nasdaq.
    - (ii) The Committee shall have discretion to determine the appropriate means of recovering Erroneously Awarded Compensation based on the particular facts and circumstances. Notwithstanding the foregoing, except as set forth in Section B (2) below, in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of an Executive Officer's obligations hereunder.

- (iii) To the extent that the Executive Officer has already reimbursed the Company for any Erroneously Awarded Compensation Received under any duplicative recovery obligations established by the Company or applicable law, it shall be appropriate for any such reimbursed amount to be credited to the amount of Erroneously Awarded Compensation that is subject to recovery under this Compensation Recovery Policy.
- (iv) To the extent that an Executive Officer fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Executive Officer. The applicable Executive Officer shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.
- (2) Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section B(1) above if the Committee determines that recovery would be impracticable *and* any of the following three conditions are met:
  - (i) The Committee has determined that the direct expenses paid to a third party to assist in enforcing the Compensation Recovery Policy would exceed the amount to be recovered. Before making this determination, the Company must make a reasonable attempt to recover the Erroneously Awarded Compensation, document such attempt(s) and provide such documentation to the Nasdaq;
  - (ii) Recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to the Nasdaq, that recovery would result in such a violation and a copy of the opinion is provided to Nasdaq; or
  - (iii) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

C. DISCLOSURE REQUIREMENTS

The Company shall file all disclosures with respect to this Compensation Recovery Policy required by applicable U.S. Securities and Exchange Commission ("**SEC**") filings and rules.

D. PROHIBITION OF INDEMNIFICATION

The Company shall not be permitted to insure or indemnify any Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Compensation Recovery Policy, or (ii) any claims relating to the Company's enforcement of its rights under this Compensation Recovery Policy. Further, the Company shall not enter into any agreement that exempts any Incentive-based Compensation that is granted, paid or awarded to an Executive Officer from the application of this Compensation Recovery Policy or that waives the Company's right to recovery of any Erroneously Awarded Compensation, and this Compensation Recovery Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date of this Compensation Recovery Policy).

E. ADMINISTRATION AND INTERPRETATION

This Compensation Recovery Policy shall be administered by the Committee, and any determinations made by the Committee shall be final and binding on all affected individuals.

The Committee is authorized to interpret and construe this Compensation Recovery Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Compensation Recovery Policy and for the Company's compliance with Nasdaq Rules, Section 10D, Rule 10D-1 and any other applicable law, regulation, rule or interpretation of the SEC or Nasdaq promulgated or issued in connection therewith.

F. AMENDMENT; TERMINATION

The Committee may amend this Compensation Recovery Policy from time to time in its discretion and shall amend this Compensation Recovery Policy as it deems necessary. Notwithstanding anything in this Section F to the contrary, no amendment or termination of this Compensation Recovery Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rule or Nasdaq rule.

G. OTHER RECOVERY RIGHTS

This Compensation Recovery Policy shall be binding and enforceable against all Executive Officers and, to the extent required by applicable law or guidance from the SEC or Nasdaq, their beneficiaries, heirs, executors, administrators or other legal representatives. The Committee intends that this Compensation Recovery Policy will be applied to the fullest extent required by applicable law. Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with an Executive Officer shall be deemed to include, as a condition to the grant of any benefit thereunder, an agreement by the Executive Officer to abide by the terms of this Compensation Recovery Policy. Any right of recovery under this Compensation Recovery Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company under applicable law, regulation or rule or pursuant to the terms of any policy of the Company or any provision in any employment agreement, equity award agreement, compensatory plan, agreement or other arrangement.

H. DEFINITIONS

For purposes of this Compensation Recovery Policy, the following capitalized terms shall have the meanings set forth below.

- (1) **"Accounting Restatement"** means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a "Big R" restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "little r" restatement).
- (2) **"Clawback Eligible Incentive Compensation"** means all Incentive-based Compensation Received by an Executive Officer (i) on or after the effective date of the applicable Nasdaq rules, (ii) after beginning service as an Executive Officer, (iii) who served as an Executive Officer at any time during the applicable performance period relating to any Incentive-based Compensation (whether or not such Executive Officer is serving at the time the Erroneously Awarded Compensation is required to be repaid to the Company), (iv) while the Company has a class of securities listed on a national



securities exchange or a national securities association, and (v) during the applicable Clawback Period (as defined below).

- (3) **"Clawback Period"** means, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date (as defined below), and if the Company changes its fiscal year, any transition period of less than nine months within or immediately following those three completed fiscal years.
- (4) **"Erroneously Awarded Compensation"** means, with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid.
- (5) **"Executive Officer"** means each individual who is currently or was previously designated as an "officer" of the Company as defined in Rule 16a-1(f) under the Exchange Act. For the avoidance of doubt, the identification of an executive officer for purposes of this Compensation Recovery Policy shall include each executive officer who is or was identified pursuant to Item 401(b) of Regulation S-K or Item 6.A of Form 20-F, as applicable, as well as the principal financial officer and principal accounting officer (or, if there is no principal accounting officer, the controller).
- (6) **"Financial Reporting Measures"** means measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) shall, for purposes of this Compensation Recovery Policy, be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company's financial statements or included in a filing with the SEC.
- (7) **"Incentive-based Compensation"** means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.
- (8) **"Nasdaq"** means The Nasdaq Stock Market.
- (9) **"Received"** means, with respect to any Incentive-based Compensation, actual or deemed receipt, and Incentive-based Compensation shall be deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if the payment or grant of the Incentive-based Compensation to the Executive Officer occurs after the end of that period.
- (10) **"Restatement Date"** means the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

Effective as of October 2, 2023.

**Exhibit A**

**ATTESTATION AND ACKNOWLEDGEMENT OF COMPENSATION RECOVERY POLICY**

By my signature below, I acknowledge and agree that:

- I have received and read the attached Compensation Recovery Policy for the Recovery of Erroneously Awarded Compensation (this "***Compensation Recovery Policy***").
- I hereby agree to abide by all of the terms of this Compensation Recovery Policy both during and after my employment with the Company, including, without limitation, by promptly repaying or returning any Erroneously Awarded Compensation to the Company as determined in accordance with this Compensation Recovery Policy.

Signature:

Printed Name:

Date:

