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

FORM 6-K

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

Date of Report: May 2023

Commission File Number: 001-39368

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

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

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

Form 20-F ☒ Form 40-F ☐

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

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

Explanatory Note

On May 10, 2023 Maxeon Solar Technologies, Ltd. (the "Company"), issued a press release entitled "Maxeon Solar Technologies Announces First Quarter 2023 Financial Results." A copy of this press release is furnished as Exhibit 99.1 herewith.

Other than as indicated below, the information in this Form 6-K (including in Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

The U.S. GAAP financial information contained in (i) the condensed consolidated balance sheets, (ii) condensed consolidated statements of operations and (iii) condensed consolidated statements of cash flows, and the other financial information under the headings "Supplementary information affecting GAAP and Non-GAAP results" and "Reconciliation of Non-GAAP Financial Measures", in each case, included in the press release attached as Exhibit 99.1 to this Report on Form 6-K are hereby incorporated by reference into the Company's registration statements on Form F-3 (File No. 333-265253) and (File No. 333-268309) and Form S-8 (File No. 333-241709).

SIGNATURES

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

MAXEON SOLAR TECHNOLOGIES, LTD.
(Registrant)

May 10, 2023	By:	/s/ Kai Strohbecke
		Kai Strohbecke
		Chief Financial Officer

EXHIBITS

Exhibit	Title
99.1	Press release on first quarter 2023 financial results
99.2	Financial results for the first quarter ended April 2, 2023

Exhibit 99.1

maxeon

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Maxeon Solar Technologies Announces First Quarter 2023 Financial Results

--$54 Million Non-GAAP Gross Margin, $31 Million Adjusted EBITDA--
--2023 Adjusted EBITDA Guidance Increased to $95 to $120 Million--

Singapore, May 11, 2023 – Maxeon Solar Technologies, Ltd. (NASDAQ:MAXN) ("Maxeon" or "the Company"), a global leader in solar innovation and channels, today announced its financial results for the first quarter ended April 2, 2023.

Maxeon's Chief Executive Officer Bill Mulligan noted, "Maxeon delivered strong financial performance in Q1, executing well across the organization and exceeding our gross margin and Adjusted EBITDA targets. Our DG business benefited from prudent supply chain management and solid ASP execution in Europe, combined with expanded profitability in the US. In our North America utility-scale business we booked several new projects in the first quarter, with production now booked out through 2025 and allocated based on sold options into 2027. Based on strong customer demand, we are actively looking for opportunities to expand our North American supply chain, including progressing our application with the DOE Loan Program Office for a domestic cell and module facility."

Mulligan continued, "While our team is energized by delivering a strong start to the year, we remain highly focused on executing our strategy and achieving our full year 2023 financial targets. With Q1 results exceeding our expectations we are raising our 2023 Adjusted EBITDA guidance from $80 - $100 million to $95 - $120 million. Beyond 2023, we believe that our technology innovation roadmap, strong brands and unique go-to-market channels provide a solid foundation for continued growth."

Selected Q1 Unaudited Financial Summary

(In thousands, except shipments)	Fiscal Q1 2023	Fiscal Q4 2022	Fiscal Q1 2022
Shipments, in MW	774	734	488
Revenue	$ 318,332	$ 323,503	$ 223,081
Gross profit (loss)[1]	53,625	20,087	(12,964)
GAAP Operating expenses	41,921	38,038	37,410
GAAP Net income (loss) attributable to the stockholders[1]	20,271	(75,701)	(59,112)
Capital expenditures	16,500	7,314	21,682

	Other Financial Data[(1), (2)]		
(In thousands)	**Fiscal Q1 2023**	**Fiscal Q4 2022**	**Fiscal Q1 2022**
Non-GAAP Gross profit (loss)	$ 54,142	$ 20,696	$ (12,542)
Non-GAAP Operating expenses	38,056	34,488	34,367
Adjusted EBITDA	30,984	(3,712)	(33,590)

[1] The Company's GAAP and Non-GAAP results were impacted by the effects of certain items. Refer to "*Supplementary information affecting GAAP and Non-GAAP results*" below.

[2] The Company's use of Non-GAAP financial information, including a reconciliation to U.S. GAAP, is provided under "Use of Non-GAAP Financial Measures" below.

Supplementary information affecting GAAP and Non-GAAP results

		Three Months Ended		
(In thousands)	**Financial statements item affected**	**April 2, 2023**	**January 1, 2023**	**April 3, 2022**
Incremental cost of above market polysilicon[1]	Cost of revenue	237	30	7,388
Loss on ancillary sales of excess polysilicon[2, 3]	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 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.

[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. There was no such sale in the three months ended April 2, 2023 and January 1, 2023.

[3] For the three months ended April 3, 2022, the loss on ancillary sales of excess polysilicon also included $5.9 million for the loss on firm purchase commitment in connection to the ancillary sales to third parties of excess polysilicon fulfilled in the subsequent quarters.

Fiscal Year 2023 and Second Quarter 2023 Outlook

For the second quarter of 2023, the Company anticipates the following results:

(In millions, except shipments)	**Outlook**
Shipments, in MW	860 - 900
Revenue	$360 - $400
Gross profit	$49 - $59
Non-GAAP gross profit[1]	$50 - $60
Operating expenses	$47 ± $2
Non-GAAP operating expenses[2]	$42 ± $2
Adjusted EBITDA[3]	$24 - $34
Capital expenditures[4]	$20 - $26

For fiscal year 2023, the Company anticipates the following revised results:

– Revenue to be within a range of $1,400 million to $1,600 million.

– Adjusted EBITDA to be within a range of $95 million to $120 million.

[1] The Company's Non-GAAP gross profit is impacted by the effects of adjusting for stock-based compensation expense.

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

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

(4) Capital expenditures are directed mainly to preparation for capacity expansion for our Maxeon 7 technology, completion of manufacturing capacity for Performance line panels to be sold in the U.S. market, completion of manufacturing capacity for our Maxeon 6 product platform, further developing Maxeon 7 technology and operating a pilot line, as well as various corporate initiatives. The above excludes capital expenditures in connection to the investment plan to deploy a multi-GW factory in the United States to manufacture solar products for both the DG and utility-scale power plant markets.

These anticipated results for the second quarter of 2023 are preliminary, unaudited and represent the most current information available to management. The Company’s business outlook is based on management's current views and estimates with respect to market conditions, production capacity and the global economic environment. Please refer to Forward Looking Statements section below. Management’s views and estimates are subject to change without notice.

For more information

Maxeon’s first quarter 2023 financial results and management commentary can be found on Form 6-K by accessing the Financials & Filings page of the Investor Relations section of Maxeon’s website at: https://corp.maxeon.com/investor-relations. The Form 6-K and Company’s other filings are also available online from the Securities and Exchange Commission at www.sec.gov.

Conference Call Details

The Company will hold a conference call on May 10, 2023, at 5:00 PM U.S. ET / May 11, 2023, at 5:00 AM Singapore Time, to discuss results and to provide an update on the business.

To join the live conference call, participants must first register here, where a dial-in number will be provided.

A simultaneous audio-only webcast of the conference call will be available on Maxeon’s website at https://corp.maxeon.com/events-and-presentations. A webcast replay will be available on Maxeon's website for one year at https://corp.maxeon.com/events-and-presentations.

About Maxeon Solar Technologies

Maxeon Solar Technologies Ltd (NASDAQ: MAXN) is Powering Positive Change™. Headquartered in Singapore, Maxeon designs and manufactures Maxeon® and SunPower® brand solar panels, and has sales operations in more than 100 countries, operating under the SunPower brand in certain countries outside the United States. The Company is a leader in solar innovation with access to over 1,000 patents and two best-in-class solar panel product lines. Maxeon products span the global rooftop and solar power plant markets through a network of more than 1,700 trusted partners and distributors. A pioneer in sustainable solar manufacturing, Maxeon leverages a +35-year history in the solar industry and numerous awards for its technology. For more information about how Maxeon is Powering Positive Change™ visit us at https://www.maxeon.com/, on LinkedIn and on Twitter @maxeonsolar.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, but not limited to, statements regarding: (a) our expectations regarding pricing trends, demand and growth projections; (b) potential disruptions to our operations and supply chain that may result from epidemics, natural disasters or military conflicts, including the duration, scope and impact on the demand for our products, market disruptions from the war in Ukraine; (c) anticipated product launch timing and our expectations regarding ramp, customer acceptance and demand, upsell and expansion opportunities; (d) our expectations and plans for short- and long-term strategy, including our anticipated areas of focus and investment, market expansion, product and technology focus, and projected growth and profitability; (e) our 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, and our overall liquidity, substantial indebtedness and ability to obtain additional financing; (f) our technology outlook, including anticipated fab capacity expansion and utilization and expected ramp and production timelines for the Company’s Maxeon 6, 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 relationships with existing customers, suppliers and partners, and our ability to achieve and maintain them; (h) our expectations regarding our future performance and revenues resulting from contracted orders, bookings, backlog, and pipelines in our sales channels and feedback from our partners; (i) our projected effective tax rate and changes to the valuation allowance related to our deferred tax assets; and (j) our 2023 revenue and adjusted EBITDA guidance and our second quarter fiscal year 2023 guidance, including shipments, revenue, gross profit, non-GAAP gross profit, operating expenses, non-GAAP operating expenses, Adjusted EBITDA, capital expenditures, and related assumptions.

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

These forward-looking statements are based on our current assumptions, expectations and beliefs and involve substantial risks and uncertainties that may cause results, performance or achievement to materially differ from those expressed or implied by these forward-looking statements. These statements are not guarantees of future performance and are subject to a number of risks. The reader should not place undue reliance on these forward-looking statements, as there can be no assurances that the plans, initiatives or expectations upon which they are based will occur. Factors that could cause or contribute to such differences include, but are not limited to: (1) challenges in executing transactions key to our strategic plans, including regulatory and other challenges that may arise; (2) 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 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; (5) our ability to manage our key customers and suppliers; (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, 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 which, in combination with our results of operations or other factors, may cause them 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 or other disputes. A detailed discussion of these factors and other risks that affect our business is included in filings we make with the Securities and Exchange Commission (“SEC”) from time to time, including our most recent report on Form 20-F, particularly under the heading “Risk Factors”. Copies of these filings are available online from the SEC at www.sec.gov, or on the SEC Filings section of our Investor Relations website at https://corp.maxeon.com/investor-relations. All forward-looking statements in this press release are based on information currently available to us, and we assume no obligation to update these forward-looking statements in light of new information or future events.

Use of Non-GAAP Financial Measures

We present certain non-GAAP measures such as non-GAAP gross profit (loss), non-GAAP operating expenses and earnings before interest, taxes, depreciation and amortization ("EBITDA") adjusted for stock-based compensation, restructuring charges and fees, remeasurement loss 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. 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.

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

- *Stock-based compensation expense*. Stock-based compensation relates primarily to equity incentive awards. Stock-based compensation is a non-cash expense that is dependent on market forces that are difficult to predict and is excluded from non-GAAP gross profit (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 (benefits) charges and fees*. We incur restructuring (benefits) charges and fees related to reorganization plans 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 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 (gain) loss 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 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 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 (income) of unconsolidated investees and related gains*. This relates to the loss (income) on our unconsolidated equity investment Huansheng JV and gains on such investment. 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.

Reconciliation of Non-GAAP Financial Measures

	Three Months Ended		
(In thousands)	**April 2, 2023**	**January 1, 2023**	**April 3, 2022**
Gross profit (loss)	**$ 53,625**	**$ 20,087**	**$ (12,964)**
Stock-based compensation	517	609	422
Non-GAAP Gross profit (loss)	**54,142**	**20,696**	**(12,542)**
GAAP Operating expenses	**41,921**	**38,038**	**37,410**
Stock-based compensation	(4,144)	(2,956)	(2,275)
Restructuring benefits (charges and fees)	279	(594)	(768)
Non-GAAP Operating expenses	**38,056**	**34,488**	**34,367**
GAAP Net income (loss) attributable to the stockholders	**20,271**	**(75,701)**	**(59,112)**
Interest expense, net	8,999	9,307	4,786
Provision for income taxes	5,984	28,030	825
Depreciation	14,383	14,422	12,898
Amortization	68	57	90
EBITDA	49,705	(23,885)	(40,513)
Stock-based compensation	4,661	3,565	2,697
Restructuring (benefits) charges and fees	(279)	594	768
Remeasurement (gain) loss on prepaid forward	(23,849)	17,726	397
Equity in losses (income) of unconsolidated investees and related gain	746	(1,712)	3,061
Adjusted EBITDA	**30,984**	**(3,712)**	**(33,590)**

Reconciliation of Non-GAAP Outlook

(In millions)	**Outlook**
Gross profit	**$49 - $59**
Stock-based compensation	1
Non-GAAP gross profit	**$50 - $60**
Operating expenses	**$47 ± $2**
Stock-based compensation	(5)
Non-GAAP operating expenses	**$42 ± $2**

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

	As of	
	April 2, 2023	**January 1, 2023**
Assets		
Current assets:		
Cash and cash equivalents	$ 278,849	$ 227,442
Short-term securities	—	76,000
Restricted short-term marketable securities	1,008	968
Accounts receivable, net	72,205	54,301
Inventories	316,444	303,230
Advances to suppliers, current portion	1,407	2,137
Prepaid expenses and other current assets	111,046	126,971
Total current assets	**$ 780,959**	**$ 791,049**
Property, plant and equipment, net	368,429	380,468
Operating lease right of use assets	23,197	17,844
Intangible assets, net	340	291
Deferred tax assets	10,037	10,348
Other long-term assets	84,573	60,418
Total assets	**$ 1,267,535**	**$ 1,260,418**
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 214,351	$ 247,870
Accrued liabilities	112,355	135,157
Contract liabilities, current portion	220,084	139,267
Short-term debt	50,440	50,526
Operating lease liabilities, current portion	4,833	3,412
Total current liabilities	**$ 602,063**	**$ 576,232**
Long-term debt	1,544	1,649
Contract liabilities, net of current portion	108,249	161,678
Operating lease liabilities, net of current portion	19,830	15,603
Convertible debt	380,314	378,610
Deferred tax liabilities	14,789	14,913
Other long-term liabilities	66,598	63,663
Total liabilities	**$ 1,193,387**	**$ 1,212,348**
Commitments and contingencies		
Equity:		
Common stock, no par value (45,409,811 and 45,033,027 issued and outstanding as of April 2, 2023 and January 1, 2023, respectively)	$ —	$ —
Additional paid-in capital	588,841	584,808
Accumulated deficit	(499,992)	(520,263)
Accumulated other comprehensive loss	(20,481)	(22,108)
Equity attributable to the Company	68,368	42,437
Noncontrolling interests	5,780	5,633
Total equity	74,148	48,070
Total liabilities and equity	**$ 1,267,535**	**$ 1,260,418**

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

	Three Months Ended	
	April 2, 2023	April 3, 2022
Revenue	$ 318,332	$ 223,081
Cost of revenue	264,707	236,045
Gross profit (loss)	53,625	(12,964)
Operating expenses:		
Research and development	11,076	13,894
Sales, general and administrative	31,028	23,751
Restructuring benefits	(183)	(235)
Total operating expenses	41,921	37,410
Operating income (loss)	11,704	(50,374)
Other income (expense), net		
Interest expense, net	(8,999)	(4,786)
Other, net	24,443	(151)
Other income (expense), net	15,444	(4,937)
Income (loss) before income taxes and equity in losses of unconsolidated investees	27,148	(55,311)
Provision for income taxes	(5,984)	(825)
Equity in losses of unconsolidated investees	(746)	(3,061)
Net income (loss)	20,418	(59,197)
Net (income) loss attributable to noncontrolling interests	(147)	85
Net income (loss) attributable to the stockholders	$ 20,271	$ (59,112)
Net income (loss) per share attributable to stockholders:		
Basic	$ 0.49	$ (1.45)
Diluted	$ 0.46	$ (1.45)
Weighted average shares used to compute net income (loss) per share:		
Basic	41,389	40,650
Diluted	53,070	40,650

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

	Shares	Amount	Additional Paid In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss (Income)	Equity Attributable to the Company	Noncontrolling Interests	Total Equity
Balance at January 1, 2023	45,033	$ —	$ 584,808	$ (520,263)	$ (22,108)	$ 42,437	$ 5,633	$ 48,070
Net income	—	—	—	20,271	—	20,271	147	20,418
Issuance of common stock for stock-based compensation, net of tax withheld	377	—	—	—	—	—	—	—
Recognition of stock-based compensation	—	—	4,033	—	—	4,033	—	4,033
Other comprehensive income	—	—	—	—	1,627	1,627	—	1,627
Balance at April 2, 2023	45,410	$ —	$ 588,841	$ (499,992)	$ (20,481)	$ 68,368	$ 5,780	$ 74,148

	Shares	Amount	Additional Paid In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss (Income)	Equity Attributable to the Company	Noncontrolling Interests	Total Equity
Balance at January 2, 2022	44,247	$ —	$ 624,261	$ (262,961)	$ (11,844)	$ 349,456	$ 5,419	$ 354,875
Effect of adoption of ASU 2020-06	—	—	(52,189)	10,122	—	(42,067)	—	(42,067)
Net loss	—	—	—	(59,112)	—	(59,112)	(85)	(59,197)
Issuance of common stock for stock-based compensation, net of tax withheld	354	—	(2)	—	—	(2)	—	(2)
Distribution to noncontrolling interest	—	—	—	—	—	—	(64)	(64)
Recognition of stock-based compensation	—	—	1,466	—	—	1,466	—	1,466
Other comprehensive loss	—	—	—	—	(803)	(803)	—	(803)
Balance at April 3, 2022	44,601	$ —	$ 573,536	$ (311,951)	$ (12,647)	$ 248,938	$ 5,270	$ 254,208

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

	Three Months Ended	
	April 2, 2023	**April 3, 2022**
Cash flows from operating activities		
Net income (loss)	$ 20,418	$ (59,197)
Adjustments to reconcile net income (loss) to operating cash flows		
Depreciation and amortization	14,451	12,988
Stock-based compensation	4,661	2,697
Non-cash interest expense	2,294	1,336
Equity in losses of unconsolidated investees	746	3,061
Deferred income taxes	188	91
Loss on disposal of property, plant and equipment	9	213
Remeasurement (gain) loss on prepaid forward	(23,849)	397
(Utilization of) provision for excess or obsolete inventories	(10,396)	1,589
Other, net	(160)	430
Changes in operating assets and liabilities		
Accounts receivable	(17,890)	(12,821)
Contract assets	4	532
Inventories	(24,465)	(51,647)
Prepaid expenses and other assets	1,570	(5,172)
Operating lease right-of-use assets	930	627
Advances to suppliers	730	11,043
Accounts payable and other accrued liabilities	(19,312)	30,344
Contract liabilities	27,136	78,805
Operating lease liabilities	(520)	(631)
Net cash (used in) provided by operating activities	(23,455)	14,685
Cash flows from investing activities		
Purchases of property, plant and equipment	(16,500)	(21,682)
Purchases of intangible assets	(118)	—
Proceeds from maturity of short-term market securities	76,000	—
Purchase of restricted short-term marketable securities	(10)	—
Cash paid for disposal of property, plant and equipment	—	(11)
Net cash provided by (used in) investing activities	59,372	(21,693)
Cash flows from financing activities		
Proceeds from debt	60,164	66,318
Repayment of debt	(60,125)	(43,598)
Repayment of finance lease obligations	(230)	(178)
Payment for tax withholding obligations for issuance of common stock upon vesting of restricted stock units	—	(2)
Distribution to noncontrolling interest	—	(64)
Net cash (used in) provided by financing activities	(191)	22,476

	Three Months Ended	
	April 2, 2023	April 3, 2022
Effect of exchange rate changes on cash, cash equivalents and restricted cash	55	64
Net increase in cash, cash equivalents and restricted cash	35,781	15,532
Cash, cash equivalents and restricted cash, beginning of period	267,961	192,232
Cash, cash equivalents and restricted cash, end of period	$ 303,742	$ 207,764
Non-cash transactions		
Property, plant and equipment purchases funded by liabilities	$ 11,322	$ 31,948
Right-of-use assets obtained in exchange for lease obligations	6,283	1,257

The following table reconciles our cash and cash equivalents and restricted cash reported on our Condensed Consolidated Balance Sheets and the cash, cash equivalents and restricted cash reported on our Condensed Consolidated Statements of Cash Flows as of April 2, 2023 and April 3, 2022:

(In thousands)	April 2, 2023	April 3, 2022
Cash and cash equivalents	$ 278,849	$ 176,679
Restricted cash, current portion, included in Prepaid expenses and other current assets	24,891	7,009
Restricted cash, net of current portion, included in Other long-term assets	2	24,076
Total cash, cash equivalents and restricted cash shown in Condensed Consolidated Statements of Cash Flows	$ 303,742	$ 207,764

Financial Results for the First Quarter Ended April 2, 2023

Overview

Maxeon Solar Technologies, Ltd (“Maxeon”, the “Company”, “we”, “us”, and “our”) (NASDAQ: MAXN) is Powering Positive Change™. Headquartered in Singapore, Maxeon designs and manufactures Maxeon® and SunPower® brand solar panels, and has sales operations in more than 100 countries, operating under the SunPower brand in certain countries outside the United States. The Company is a leader in solar innovation with access to over 1,000 patents and two best-in-class solar panel product lines. Maxeon products span the global rooftop and solar power plant markets through a network of more than 1,700 trusted partners and distributors. A pioneer in sustainable solar manufacturing, Maxeon leverages a +35-year history in the solar industry and numerous awards for its technology.

Unaudited Summary of Financial Results

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 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.

Revenue by market

The following table sets forth our revenue by market for the periods indicated:

	Three Months Ended	
	April 2, 2023	**April 3, 2022**
(In percentage)		
U.S. and Canada	51.4 %	33.7 %
EMEA	39.9 %	42.8 %
Asia Pacific	8.3 %	22.7 %
Other markets	0.4 %	0.8 %
Total revenues	100 %	100 %

Our primary products are the Maxeon line of interdigitated back contact (“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 distributed generation (which we refer to as “DG”) markets as well. During the three months ended April 2, 2023, 45.8% of our revenue was attributable to products in our Maxeon line and the other 54.2% was attributable to products in our Performance line. During the three months ended April 3, 2022, 60.0% of our revenue was attributable to products in our Maxeon line and the other 40.0% was attributable to products in our Performance line.

For information on the trends and uncertainties to our business, please refer to our Annual Report on Form 20-F for the fiscal year ended January 1, 2023.

Revenue and Cost of Revenue

(In thousands)	Three Months Ended April 2, 2023		Three Months Ended April 3, 2022	
Revenue	$	318,332	$	223,081
Cost of revenue		264,707		236,045
Gross profit (loss)	$	53,625	$	(12,964)
Gross margin		16.8 %		(5.8)%

Three Months Ended April 2, 2023 Compared to Three Months Ended April 3, 2022

During the three months ended April 2, 2023 and April 3, 2022, we recognized revenue from sales of modules and components of $318.3 million with shipments of 774.1MW, of which $71.7 million, or 22.5%, represented sales of solar modules to SunPower Corporation ("SunPower"). During the three months ended April 3, 2022, we recognized revenue from sales of modules and components of $223.1 million with shipments of 488MW, of which and $74.7 million or 33.5% represented sales to SunPower. The pricing term for the sale of solar modules to SunPower was based on the Supply Agreement with SunPower, which was mutually terminated in February 2022 and replaced with the 2022/2023 Supply Agreement. For the three months ended April 2, 2023, there was one other customer that accounted for at least 10% of revenues. For the three months ended April 3, 2022, SunPower was the only customer that accounted for more than 10% of revenues.

The increase of $95.3 million in revenue during the three months ended April 2, 2023 as compared to the three months ended April 3, 2022 was due to sales in the utility-scale business in the United States, for which the first shipment took place in April 2022, contributing to $76.7 million of the increase. The Company also experienced higher sales for the DG business in Europe, in particular Italy, Belgium and France, and United States, mainly attributable to higher shipments and better prices contributed to by price recovery for increasing costs since the second half of fiscal year 2022.

Cost of revenue was $264.7 million and $236.0 million in the three months ended April 2, 2023 and April 3, 2022, respectively. The increase of $28.7 million in cost of revenue during the three months ended April 2, 2023 as compared to the three months ended April 3, 2022 was primarily due to higher shipments, offset by favorable costs reduction which were market driven and lower losses of $15.5 million on the polysilicon procured under long-term fixed supply agreements that ended during fiscal year 2022. Our cost of revenue for IBC and Performance line solar modules is dependent on certain key raw materials such as glass, polysilicon, and aluminum, as well as Performance line module-supply from our Huansheng JV. For more information, please refer to our risk factors contained in our annual report on Form 20-F for the most recent fiscal year and in particular, the risk factor entitled "We depend on our Huansheng JV 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." contained in our annual report on Form 20-F for the fiscal year ended January 1, 2023.

Revenue by Geography

	Three Months Ended	
(In thousands)	**April 2, 2023**	**April 3, 2022**
United States	$ 163,622	$ 75,192
Italy	38,379	27,251
Rest of the world[1]	116,331	120,638
Total revenues	$ 318,332	$ 223,081

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

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

The sales attributed to the U.S. includes $71.7 million and $74.7 million in sales to SunPower for the three months ended April 2, 2023 and April 3, 2022 respectively.

Operating Expenses

Operating expenses includes primarily salaries and related personnel costs, professional fees and related operating cost to fulfil the functional requirement.

	Three Months Ended	
(In thousands)	**April 2, 2023**	**April 3, 2022**
Operating expenses:		
Research and development	$ 11,076	$ 13,894
Sales, general and administrative	31,028	23,751
Restructuring benefits	(183)	(235)
Total operating expenses	$ 41,921	$ 37,410

Research and Development Expenses

Three Months Ended April 2, 2023 Compared to Three Months Ended April 3, 2022

Research and development expenses were $11.1 million in the three months ended April 2, 2023 primarily associated with expenditures on our Maxeon 7 and Performance line cell as well as panel technology, comprising compensation expense (including stock-based compensation) of $7.1 million, facilities expense of $1.5 million, expenses for leased equipment of $0.2 million, and research and development materials of $0.4 million. Included in these expenses is $0.9 million related to the Product Collaboration Agreement with SunPower. The decrease in expense was primarily driven by a decrease of $1.2 million in compensation expense due to non-recurrence of discretionary expenses, a decrease by $1.1 million in expenses for leased equipment as a result of transfer of research and development assets to Maxeon which was originally under the Product Collaboration Agreement and a decrease of $0.8 million in research and development materials.

Research and development expenses were $13.9 million in the three months ended April 3, 2022, primarily associated with expenditures on our Maxeon 6 and Maxeon 7 cell and panel technology, mainly comprising compensation expenses (including stock-based compensation) of $8.3 million, facilities expense of $1.3 million, research and development materials of $1.1 million and expenses for leased equipment of $1.3 million. Included in these expenses is $9.2 million related to the Product Collaboration Agreement with SunPower, which was largely wound down based on the original expiration on August 26, 2022 except for some transitional support to complete a collaboration project. Please refer to “Item 7. Major Shareholders and Related Party Transactions” disclosure in our Annual Report on Form 20-F for the fiscal year ended January 1, 2023 for further details.

Sales, General and Administrative Expenses

Three Months Ended April 2, 2023 Compared to Three Months Ended April 3, 2022

Sales, general and administrative expenses were $31.0 million in the three months ended April 2, 2023 and comprised primarily of $17.1 million of compensation expense (including stock-based compensation), $7.4 million of professional fees, $1.2 million of equipment related expenses, $1.0 million of insurance expense, $0.8 million of marketing fees and $0.7 million of facilities-related costs including rent, utilities and maintenance. The increase in expense was primarily driven by a higher compensation expenses of $6.5 million due to increased headcount and higher travel expense of $0.6 million due to the lifting of travel restriction globally.

Sales, general and administrative expenses were $23.8 million in the three months ended April 3, 2022 and comprised primarily of $10.6 million of compensation expenses (including stock-based compensation), $6.6 million of professional fees, $1.8 million of insurance expenses, $1.3 million of equipment related expenses, $1.0 million of marketing fees and $0.6 million of facilities-related costs including rent, utilities and maintenance.

Restructuring Benefits

Three Months Ended April 2, 2023 Compared to Three Months Ended April 3, 2022

During both of the three months ended April 2, 2023 and April 3, 2022, we recognized restructuring benefits of $0.2 million arising from reversal of a prior period provision. The reversal of restructuring provisions mainly relates to the restructuring plans relating to the closure of our module factory in Porcelette, France and closure of our module factory in Toulouse, France. We do not expect to incur any significant additional expenses in relation to these restructuring activities.

Other income (expense), net

	Three Months Ended	
	April 2, 2023	**April 3, 2022**
(In thousands)		
Other income (expense), net:		
Interest expense, net	$ (8,999)	$ (4,786)
Other, net	24,443	(151)
Other income (expense), net	$ 15,444	$ (4,937)

Three Months Ended April 2, 2023 Compared to Three Months Ended April 3, 2022

Of the total $9.0 million in interest expense, net, incurred during the three months ended April 2, 2023, $4.7 million relates to the Convertible Notes due 2027 issued in August 2022, $4.1 million relates to the Green

Convertible Notes due 2025 and $0.6 million relates to interest expense on significant financing component on prepayments received. This was partially offset by net interest income from the Company's investment and other debt arrangements.

Of the total $4.8 million in interest expense, net, incurred during the three months ended April 3, 2022, $4.1 million relates to the Green Convertible Notes due 2025 and $0.7 million relates to other outstanding debt arrangements.

Other, net for the three months ended April 2, 2023 primarily comprised of a $23.8 million gain on the remeasurement of the Prepaid Forward associated with the Green Convertible Notes and foreign exchange gain of $0.6 million.

Other, net for the three months ended April 3, 2022 primarily comprised of a $0.4 million loss on the remeasurement of the Prepaid Forward associated with the Green Convertible Notes and a loss of $1.0 million on derivative instruments, offset by foreign exchange gain of $1.2 million.

For more information on the Prepaid Forward and Green Convertible Notes, please refer to "Item 5.B. Liquidity and Capital Resources" disclosure in our Annual Report on Form 20-F for the fiscal year ended January 2, 2022.

Income Taxes

	Three Months Ended	
	April 2, 2023	**April 3, 2022**
(In thousands)		
Provision for income taxes	$ (5,984)	$ (825)

Three Months Ended April 2, 2023 Compared to Three Months Ended April 3, 2022

The interim income tax expense and other income tax related information contained in these condensed consolidated financial statements are calculated in accordance with FASB guidance for interim reporting of income tax, based on a projected annual effective tax rate while excluding loss jurisdictions which cannot be benefited. Our projected effective tax rate is based on forecasted annualized results which may fluctuate in future periods due to the uncertainty in our annual forecasts resulting from the risks identified in "Risk Factors" as previously disclosed in our Annual Report on Form 20-F for the year ended January 1, 2023 on our operating results. The Company did not have any specific projects which may give rise to any significant, unusual, infrequent in nature or discontinued operations in the three months ended April 2, 2023.

In the three months ended April 2, 2023, we recorded an income tax provision of $6.0 million. The tax expense was primarily due to current year income tax expense in profitable jurisdictions and prior year income tax true-ups. In the three months ended April 3, 2022, we recorded an income tax provision of $0.8 million The tax expense was primarily due to current year income tax expense in profitable jurisdictions, offset by a decrease in tax expense due to reversal of reserve for uncertain tax positions.

We benefit from a tax holiday granted by the Malaysian government, subject to certain hiring, capital spending, and manufacturing requirements. The third and final five-year tranche of this tax holiday was granted a 70% tax exemption and will expire on June 30, 2026. Malaysian Investment Development Authority ("MIDA") and the Company have been in discussions on additional conditions required to reinstate the full tax exemption that the Company was granted previously. We have agreed to the conditions for such reinstatement with MIDA and are waiting for formal approval from the Malaysian Government. As formal approval has not been received as at April 2, 2023, the income tax provisions reflects the 70% tax exemption status for our Malaysian subsidiary.

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

Equity in losses of unconsolidated investees

Three Months Ended April 2, 2023 Compared to Three Months Ended April 3, 2022

For the three months ended April 2, 2023, our unconsolidated investee, Huansheng JV reported a loss for which we recorded our reportable share of $0.7 million. For the three months ended April 3, 2022, we recorded our reportable share of a loss of $3.1 million. The higher loss for the three months ended April 3, 2022 was mainly due to higher loss incurred by Huansheng JV due to higher manufacturing cost and operating expenses.

Net (Income) loss Attributable to Noncontrolling Interests

Three Months Ended April 2, 2023 Compared to Three Months Ended April 3, 2022

For the three months ended April 2, 2023 and April 3, 2022, we attributed $0.1 million net income and $0.1 million of net loss, respectively, to noncontrolling interests. The noncontrolling interests held 20% and 24.05% shareholding of our subsidiaries, SunPower Systems International Limited and SunPower Energy Systems Southern Africa (Pty) Ltd, respectively. The change from net loss to net income attributable to noncontrolling interests was a result of profitable operations from our non-wholly owned subsidiaries.

Recent Developments

On January 10, 2023, Maxeon Americas, Inc., a subsidiary of Maxeon Solar Technologies (“Maxeon”) and certain wholly-owned subsidiaries of Cypress Creek Renewables (“CCR”), agreed to amend the module supply agreements (i) dated March 7, 2022 (the “Ostrea Supply Agreement) and (ii) effective as of June 22, 2022 (“the 2024 Portfolio Supply Agreement”, together with the Ostrea Supply Agreement, the “CCR Supply Agreements”). Under the Ostrea Supply Agreement and the 2024 Portfolio Supply Agreement, Maxeon is obligated to provide a letter of credit and CCR is required to provide a credit support fee. The amendments to the Ostrea Supply Agreement and the 2024 Portfolio Supply Agreement have removed the CCR Letter of Credit and the corresponding payment of the credit support fee. The 2024 Portfolio Supply Agreement has also been amended to increase the volume of Performance Series solar panels supplied for use in CCR’s utility-scale projects located in the United States by 400 MWdc, subject to the same indexed pricing provision as set out in the 2024 Portfolio Supply Agreement, to approximately 1000MWdc. In addition, the advance payment payable by CCR under the 2024 Portfolio Supply Agreement has been reduced in line with the changes to the delivery schedule, with the other half of the advance payment expected to be paid in first half of 2023. Maxeon expects that the parties will also agree to amend the delivery schedule for other projects, consistent with its updated manufacturing schedule.

On March 7, 2023, Maxeon Americas, Inc., a subsidiary of Maxeon Solar Technologies, Ltd. (“Maxeon”or the "Company") and Solar Partners XI, LLC, a project company owned by Primergy Solar, LLC (“Primergy”), agreed to amend the Solar Module Supply Agreement (the “Gemini Supply Agreement”) dated May 18, 2021 between Maxeon and Primergy to extend the delivery schedule to July 9, 2023 and amend certain technical terms and conditions under the Gemini Supply Agreement. Maxeon has agreed as part of the amendments to the Gemini Supply Agreement to provide Primergy with a certain amount of credit in recognition of costs incurred as a result of such changes to the Gemini Supply Agreement and to pay additional delay damages in the event that deliveries are delayed beyond July 9, 2023.

On March 7, 2023, Maxeon and Primergy Solar Development LLC, an affiliate of Primergy, also entered into a Product Reservation and Performance Agreement (“PRPA”) whereby Primergy agreed to make performance payments to Maxeon for module deliveries made in accordance with supply agreement delivery obligations between Maxeon and Primergy and its affiliates and, in exchange for a reservation fee, Maxeon agreed to provide Primergy with an option right over three years (2025-2027) to purchase up to 1.5GW of modules on indexed pricing terms. Any modules purchased pursuant to the PRPA would be subject to a module supply agreement to be entered into between Primergy and Maxeon.

Liquidity and Capital Resources

Current Sources of Liquidity and Capital Resources

As of April 2, 2023, we had unrestricted cash and cash equivalents of $278.8 million and restricted cash of $24.9 million as compared to $227.4 million of unrestricted cash and cash equivalents, restricted cash of $40.5 million and short-term securities represented by a 4-month time deposit of $76.0 million as of January 1, 2023.

We have collected material customer advances in connection with certain of our supply agreements we have entered into. The customer advances are amortized based on the contractually agreed upon utilization schedule at the point of transfer of control of goods to the customer. As of April 2, 2023, the customer advances included within “Contract liabilities, current portion” and “Contract liabilities, net of current portion” in our Condensed Consolidated Balance Sheets is $195.5 million and $103.2 million, respectively.

Material Cash Requirements

As of April 2, 2023, our outstanding debt was $459.0 million, of which $50.4 million and $408.6 million was classified as short-term and long-term respectively, in our Condensed Consolidated Balance Sheets. As of January 1, 2023, our outstanding debt was $459.2 million.

We expect total capital expenditures ranging from $100 million to $120 million in fiscal year 2023. As of April 2, 2023, we have committed to capital expenditures of $81.3 million via the issuance of purchase orders relating to deliveries for and beyond the remaining fiscal year 2023. The capital expenditures mainly relate to the preparation for capacity expansion for our Maxeon 7 technology, completion of manufacturing capacity for Performance line panels to be sold in the U.S. market, completion of manufacturing capacity for our Maxeon 6 product platform, further developing Maxeon 7 technology and operating a pilot line, as well as various corporate initiatives. The above excludes capital expenditures in connection to the investment plan to deploy a multi-GW factory in the United States to manufacture solar products for both the DG and utility-scale power plant markets.

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 have required us to, and could continue to 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 could result in increased expenses, collateralization and may impose new restrictive covenants.

Anticipated Sources of Funds

We believe that our current cash, cash equivalents, along with cash expected to be generated from operations will be sufficient to meet our obligations over the next 12 months. We expect that we will address our working capital requirements and fund our committed and uncommitted capital expenditures through our current cash and cash equivalents, cash generated from operations, customer prepayments, available funds to the extent available to us under our existing debt facility and additional debt or equity financing to the extent we are able to raise such funding on acceptable terms.

We expect our long-term cash requirements to be largely driven by capital expenditures and working capital requirements necessary to improve our profitability and business growth. Given the dynamic nature of the markets we operate in, the volatility in the capital markets, the current status of our business, rising inflation and interest rates, supply chain challenges, as well as the worldwide uncertainty created by the war in Ukraine on our business operations, we currently lack the visibility to reasonably quantify our expected long-term capital requirements and our ability to fully meet our long-term liquidity needs. Our long-term liquidity needs would be further negatively impacted if the macro conditions set forth above last a sustained period of time.

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. The current economic environment and market conditions could limit our ability to raise capital by issuing new equity or debt securities on acceptable terms or at all, and lenders may be unwilling to lend funds on acceptable terms or at all in the amounts that would be required to supplement cash flows to support our funding needs. The sale of additional equity investments or convertible debt securities would result in dilution to our stockholders and may not be available on favorable terms or at all. Additional debt would result in increased expenses and collateralization and would likely impose new restrictive covenants.

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 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. We cannot, however, assure you that any such options will materialize or be available to us on commercially acceptable terms or at all.

Our liquidity is subject to various risks including the risks identified in “Risk Factors” and market risks identified in “Quantitative and Qualitative Disclosures about Market Risk” in the Annual Report on Form 20-F for the fiscal year ended January 1, 2023.

Cash Flows

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

	Three Months Ended	
	April 2, 2023	**April 3, 2022**
(In thousands)		
Net cash (used in) provided by operating activities	$ (23,455)	$ 14,685
Net cash provided by (used in) investing activities	59,372	(21,693)
Net cash (used in) provided by financing activities	(191)	22,476

Operating Activities

Net cash used in operating activities in the three months ended April 2, 2023 was $23.5 million and was primarily the result of: (i) adjustment for non-cash remeasurement gain on Prepaid Forward of $23.8 million; (ii) utilization of inventory reserves of $10.4 million; (iii) an increase in accounts receivables of $17.9 million, primarily attributable to billings and collection cycles; (iv) increase in inventories of $24.5 million and (v) decrease in accounts payable and other accrued liabilities of $19.3 million, primarily attributable to the timing of invoice payments.

This was partially offset by (i) net income of $20.4 million; (ii) an adjustment for non-cash charges of $19.1 million related to depreciation and amortization and stock-based compensation and (iii) $27.1 million increase in contract liabilities arising from advance collections from customers.

Net cash provided by operating activities in the three months ended April 3, 2022 was $14.7 million and was primarily the result of: (i) adjustments for non-cash charges of $16.1 million related to depreciation and amortization, stock-based compensation and other non-cash charges; (ii) a $78.8 million increase in contract liabilities arising from advance collections from customers; (iii) a $30.3 million increase in accounts payable and other accrued liabilities, primarily attributable to the timing of invoice payments and an increase in purchases; and (iv) a $11.0 million decrease in advance payments to suppliers. This was partially offset by (i) a net loss of $59.2 million of which $15.7 million relates to out-of-market polysilicon cost; (ii) an increase in inventories, net of provision of $51.6 million; (iii) an increase in accounts receivables of $12.8 million, primarily attributable to billings and collection cycles; and (iv) increase in prepaid and other assets of $5.2 million due to advance payments.

Investing Activities

Net cash provided by investing activities in the three months ended April 2, 2023 was $59.4 million and was primarily due to proceeds from maturity of short-term investments of $76.0 million. This was partially offset by capital expenditures of $16.5 million.

Net cash used in investing activities in the three months ended April 3, 2022 was $21.7 million arising from capital expenditures.

Financing Activities

Net cash used in financing activities in the three months ended April 2, 2023 was $0.2 million, which included $60.2 million in proceeds from debt and $0.2 million payment of finance lease obligation. This was partially offset by repayment of debt obligations of $60.1 million.

Net cash provided by financing activities in the three months ended April 3, 2022 was $22.5 million, primarily due to $66.3 million in proceeds from debt. This was partially offset by repayment of debt obligations of $43.6 million.

Forward-Looking Statements

Certain statements relating to Maxeon in this document or documents incorporated by reference constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, but not limited to, statements regarding: (a) our expectations regarding pricing trends, demand and growth projections; (b) potential disruptions to our operations and supply chain that may result from epidemics, natural disasters or military conflicts, including the duration, scope and impact on the demand for our products, market disruptions from the war in Ukraine; (c) anticipated product launch timing and our expectations regarding ramp, customer acceptance and demand, upsell and expansion opportunities; (d) our expectations and plans for short- and long-term strategy, including our anticipated areas of focus and investment, market expansion, product and technology focus, and projected growth and profitability; (e) our 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, and our overall liquidity, substantial indebtedness and ability to obtain additional financing; (f) our technology outlook, including anticipated fab capacity expansion and utilization and expected ramp and production timelines for the Company's Maxeon 6, 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 relationships with existing customers, suppliers and partners, and our ability to achieve and maintain them; (h) our expectations regarding our future performance and revenues resulting from contracted orders, bookings, backlog, and pipelines in our sales channels and feedback from our partners; (i) our projected effective tax rate and changes to the valuation allowance related to our deferred tax assets; and (j) our 2023 revenue and adjusted EBITDA guidance and our second quarter fiscal year 2023 guidance, including shipments, revenue, gross profit, non-GAAP gross profit, operating expenses, non-GAAP operating expenses, Adjusted EBITDA, capital expenditures, and related assumptions.

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

These forward-looking statements are based on our current assumptions, expectations and beliefs and involve substantial risks and uncertainties that may cause results, performance or achievement to materially differ from those expressed or implied by these forward-looking statements. These statements are not guarantees of future performance and are subject to a number of risks. The reader should not place undue reliance on these forward-looking statements, as there can be no assurances that the plans, initiatives or expectations upon which they are based will occur. Factors that could cause or contribute to such differences include, but are not limited to: (1) challenges in executing transactions key to our strategic plans, including regulatory and other challenges that may arise; (2) 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 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; (5) our ability to manage our key customers and suppliers; (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, 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 which, in combination with our results of operations or other factors, may cause them 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 or other disputes. A detailed discussion of these factors and other risks that affect our business is included in filings we make with the Securities and Exchange Commission (“SEC”) from time to time, including our most recent report on Form 20-F, particularly under the heading “Risk Factors”. Copies of these filings are available online from the SEC at www.sec.gov, or on the SEC Filings section of our Investor Relations website at https://corp.maxeon.com/investor-relations. All forward-looking statements in this press release are based on information currently available to us, and we assume no obligation to update these forward-looking statements in light of new information or future events.