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

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 30, 2024**

Complete Solaria, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-40117**	**93-2279786**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

45700 Northport Loop East, Fremont, CA	**94538**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(510) 270-2507**

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	**CSLR**	**The Nasdaq Global Market**
Warrants, each whole warrant exercisable for one share of Common Stock at an exercise price of $11.50 per share	**CSLRW**	**The Nasdaq Capital Market**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

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

Introductory Note

On October 1, 2024, Complete Solaria, Inc. (the "Company") filed a Current Report on Form 8-K (the "Original Report") with the U.S. Securities and Exchange Commission that disclosed the closing of the acquisition contemplated by the Asset Purchase Agreement (the "APA") dated August 5, 2024 among the Company, SunPower Corporation ("SunPower"), and the direct and indirect subsidiaries of SunPower (the "Debtors"). The APA provided for the sale and purchase of certain assets relating to the Debtors' Blue Raven Solar business and certain assets relating to the new homes business and non-installing dealer network business previously operated by SunPower and the other Debtors (the "Acquired Assets" and the related businesses acquired from SunPower, the "SunPower Businesses"). The purchase and sale of the Acquired Assets and other transactions under the APA closed on September 30, 2024.

This Current Report on Form 8-K/A amends the Original Report to include the financial statements required to be filed under Item 9.01(a) of Current Report on Form 8-K and the pro forma financial information required to be filed under Item 9.01(b) of Current Report on Form 8-K. Except as provided herein, the disclosures made in the Original Report remain unchanged.

Item 9.01. Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired

The following historical financial statements of the businesses acquired pursuant to the APA are attached as Exhibit 99.1 hereto.

- The audited combined financial statements of the SunPower Businesses for the thirty-nine weeks ended September 29, 2024 and for the year ended December 31, 2023, and the related notes to the combined financial statements, attached as Exhibit 99.1 hereto and incorporated herein by reference.

(b) Pro Forma Financial Information

The following unaudited pro forma combined financial information of the Company, giving effect to the closing of the APA and the acquisition of the Acquired Assets and the SunPower Businesses, is attached as Exhibit 99.2 hereto:

- The unaudited pro forma combined financial statements of the Company for the thirty-nine weeks ended September 29, 2024 and for the year ended December 31, 2023, and the related notes to the unaudited pro forma combined financial statements, attached as Exhibit 99.2 hereto and incorporated herein by reference.

(d) Exhibits

Exhibit No.	Description
23.1	Consent of BDO USA, P.C.
99.1	Audited combined financial statements of the SunPower Businesses for the thirty-nine weeks ended September 29, 2024 and for the year ended December 31, 2023.
99.2	Unaudited pro forma combined financial statements of Complete Solaria, Inc. for the thirty-nine weeks ended September 29, 2024 and for the year ended December 31, 2023.
104	Cover Page Interactive Data File (embedded within Inline XBRL document).

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 hereunto duly authorized.

	Complete Solaria, Inc.
Dated: December 16, 2024	By: /s/ Daniel Foley
	Daniel Foley
	Chief Financial Officer

Exhibit 23.1

Consent of Independent Auditor

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-276376) of Complete Solaria, Inc. of our report dated December 16, 2024, relating to the combined financial statements of the SunPower Businesses (the Company), which appears in this Form 8-K/A. Our report contains an explanatory paragraph regarding the Company's ability to continue as a going concern.

/s/ BDO USA, P.C.

Atlanta, GA
December 16, 2024

SUNPOWER BUSINESSES

COMBINED FINANCIAL STATEMENTS

For the Thirty-Nine Weeks ended September 29, 2024

and

For the Fiscal Year ended December 31, 2023

Table of Contents

Independent Auditor's Report

The Audit Committee of the Board of Directors
Complete Solaria, Inc.
45700 Northport Loop East
Freemont, California, 94538, USA

Opinion

We have audited the combined financial statements of the SunPower Businesses (the Company), which comprise the combined balance sheets as of September 29, 2024 and December 31, 2023, and the related combined statements of operations, net parent investment, and cash flows for the 39 weeks ended September 29, 2024 and the year ended December 31, 2023, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Company as of September 29, 2024 and December 31, 2023, and the results of its operations and its cash flows for the 39 weeks ended September 29, 2024 and the year ended December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

The accompanying combined financial statements have been prepared assuming that the Company will continue as a going concern. As described in Note 1 to the combined financial statements, the Company has suffered recurring losses from operations, has a net capital deficiency, 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 1. The combined financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ BDO USA, P.C.

Atlanta, GA
December 16, 2024

SUNPOWER BUSINESSES COMBINED BALANCE-SHEET
(In thousands)

	As of	
	September 29, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,863	$ 3,830
Accounts receivable, net of allowance for doubtful accounts of $4,203 and $4,346 as of September 29, 2024 and December 31, 2023	42,294	32,078
Contract assets	35,759	27,945
Inventories	11,432	7,623
Prepaid expenses and other current assets	59,244	76,906
Total current assets	150,592	148,382
Property and equipment, net	9,557	11,757
Operating lease right-of-use assets	2,507	3,055
Goodwill	22,070	125,998
Other intangible assets, net	-	8,687
Other noncurrent assets	640	530
Total asset	$ 185,366	$ 298,409
LIABILITIES AND NET PARENT INVESTMENT		
Current liabilities:		
Accounts payable	$ 69,047	$ 64,492
Accrued liabilities	32,584	32,674
Operating lease liabilities, current portion	908	838
Contract liabilities	19,058	19,117
Total current liabilities	121,597	117,121
Operating lease liabilities, net of current portion	2,055	2,746
Other long-term liabilities	8,980	11,208
Total liabilities	132,632	131,075
Net parent investment	52,734	167,334
Total liabilities and net parent investment	$ 185,366	$ 298,409

SUNPOWER BUSINESSES COMBINED STATEMENT OF OPERATIONS
(In thousands)

	Thirty-Nine Weeks Ended September 29, 2024	Fiscal Year Ended December 31, 2023
Revenues	$ 273,118	$ 610,035
Cost of revenues	173,062	345,217
Gross margin	100,056	264,818
Operating expenses:		
Sales, general, and administrative	219,932	290,693
Loss on goodwill impairment	103,926	-
Research and development expenses	3,961	8,830
Total operating expenses	327,819	299,523
Operating loss	(227,763)	(34,705)
Interest expense	(285)	(436)
Other expense, net	(12)	(28)
Loss before income taxes	(228,060)	(35,169)
Benefit from (provision for) income taxes	572	(267)
Net loss	$ (227,488)	$ (35,436)

SUNPOWER BUSINESSES COMBINED STATEMENT OF NET PARENT INVESTMENT
(In thousands)

	Net Parent Investment
As of January 1, 2023	$ 135,360
Net loss	(35,436)
Stock-based compensation	7,093
Change in net parent investment	60,317
As of December 31, 2023	$ 167,334
Net loss	(227,488)
Stock-based compensation	2,777
Change in net parent investment	110,111
As of September 29, 2024	$ 52,734

SUNPOWER BUSINESSES COMBINED STATEMENT OF CASH FLOWS
(In thousands)

	Thirty-Nine Weeks Ended September 29, 2024	Fiscal Year Ended December 31, 2023
Cash flows from operating activities:		
Net loss	$ (227,488)	$ (35,436)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	8,646	10,944
Deferred tax (benefit) expense	(572)	267
Gain on disposal of fixed assets	(44)	(777)
Loss on goodwill impairment	103,926	-
Loss on intangible asset impairment	3,950	-
Stock-based compensation	2,777	7,093
Changes in operating assets and liabilities:		
Accounts receivable	(10,216)	(5,235)
Contract assets	(7,814)	14,416
Inventories	(3,809)	5,219
Prepaid expenses and other assets	17,662	(14,311)
Operating lease right-of-use assets	548	732
Accounts payable and other accrued liabilities	4,555	(23,138)
Contract liabilities	(59)	(12,247)
Operating lease liabilities	(621)	(622)
Other current liabilities	1,643	(6,538)
Other long-term assets	(108)	(191)
Other long-term liabilities	(1,386)	(1,482)
Net cash used by operating activities	(108,410)	(61,306)
Cash flows from investing activities:		
Purchases of property and equipment	(1,935)	(2,787)
Net cash used in investing activities	(1,935)	(2,787)
Cash flows from financing activities:		
Payments for financing leases	(1,733)	(2,311)
Investment from parent	110,111	60,317
Net cash provided by financing activities	108,378	58,006
Net decrease in cash, and cash equivalents	(1,967)	(6,087)
Cash, and cash equivalents, beginning of period	3,830	9,917
Cash, and cash equivalents, end of period	$ 1,863	$ 3,830
Reconciliation of cash, and cash equivalents, cash to the combined balance sheets:		
Cash and cash equivalents, current portion	1,863	3,830
Cash and cash equivalents, net of current portion	-	-
Total cash, and cash equivalents	$ 1,863	$ 3,830
Supplemental cash flow information		
Cash paid for interest expenses	$ 285	$ 436
Noncash financing activities		
Acquisition of vehicle financing leases	$ 270	$ 3,859

Note 1. *BUSINESS AND ORGANIZATION*

Description of Business and Organization

SunPower Corporation ("SunPower" or the "Parent") sold its Blue Raven Solar business, certain assets from its New Homes business, and its Non-Installing Dealer network ("SunPower Business" or the "Company", "we," "us," or "our") on September 30, 2024 to Complete Solaria, Inc. ("CSLR") for cash consideration of $52.7 million.

SunPower Businesses, a carve-out business of SunPower Corporation, is a solar technology and energy services provider that offers fully integrated solar, storage, and home energy solutions to customers in the United States through an array of hardware, software, and "Smart Energy" solutions.

Blue Raven Solar

Blue Raven Solar ("BRS") was a wholly owned subsidiary of SunPower Corporation. It is a fully-integrated originator and installer of homeowner-owned residential solar systems in America. Blue Raven's product strategy is to focus exclusively on homeowner owned solar instead of Power Purchase Agreements or leased products which avoids reliance on federal incentives such as incentive tax credits. Blue Raven relies on a network of third-party financiers that extend loans to homeowners who wish to finance their solar system.

New Home Business

SunPower's New Homes ("NH") business sales channel executes agreements between SunPower and new home construction companies whereby SunPower supplies solar solutions to the home construction company so that buyers of new homes built by the home construction company include solar panels, charging stations and other solar-related power generation solutions.

Non-Installing Dealer Network

The Non-Installing Dealer ("ND") business sales channel involves the sale of SunPower's Solar Solutions to third-party dealers and resellers that markets and sells the SunPower Solar Solutions to end customers, with SunPower undertaking the actual installation and maintenance of the installed Solar Solutions.

Basis of Presentation and Preparation of Combination

The Company historically operated as consolidated business of SunPower Corporation (together with its subsidiaries). As such, separate financial statements have not historically been prepared for the Company. The combined financial statements have been derived from the consolidated financial statements and accounting records of SunPower Corporation and include Blue Raven Solar, LLC and its subsidiaries. These combined financial statements as of the thirty-nine weeks ended September 29, 2024 and fiscal year December 31, 2023 and for the thirty-nine weeks ended September 29, 2024 and fiscal year ended December 31, 2023 and the combined notes to the financial statements are presented as carve-out financial statements and reflect the combined historical results of operations, balance sheet and cash flows of the Company in conformity with U.S. generally accepted accounting principles in the United States ("United States" or "U.S.," and such accounting principles, "U.S. GAAP").

The combined financial statements may not be indicative of the Company's future performance and do not necessarily reflect the results of operations, financial position and cash flow would have been had it operated as a separate, stand-alone SunPower businesses during the periods presented. Intercompany balances and transactions within the Company have been eliminated in these combined financial statements, refer to Note 4. *Related Party Transactions* for additional details. Certain transactions between the Company and SunPower Corporation have been included in these combined financial statements. These transactions do not traditionally settle on a regular basis and are reflected as net parent investment within the statement of net parent investment in the combined financial statements.

The combined balance sheet reflects among other things, all of the assets and liabilities that are specifically identifiable as being directly attributable to the Company, including net parent investment. Net parent investment represents SunPower's historical investment in the Company and includes the accumulated deficit and the net effect of transactions with SunPower.

Our combined statement of operations include revenues and cost of revenues directly attributable and allocated to the Company including shared overhead costs such as facilities, support functions and services used by the Company. The Company relied on SunPower's corporate, shared services, financing and supply chain functions for its business. Therefore, certain corporate and shared costs have been allocated to the Company including: (i) certain costs related to support functions that are provided on a centralized basis within SunPower, including expenses for executive oversight, treasury, tax, finance, legal, human resources, compliance, information technology, selling, research and development and other corporate functions and (ii) certain supply chain costs incurred by SunPower, including operation & maintenance, quality, product sourcing, engineering, and other supply chain support functions. These expenses have been allocated to the Company based on a specific identification basis or, when specific identification is not practicable, a proportional cost allocation method primarily based on revenue or other allocation methods depending on the nature of the services.

Where allocations of SunPower Corporate overhead amounts were necessary, management believes the allocation of these amounts were determined on a reasonable basis, reflecting all of the costs of the Company and consistently applied in the periods presented. These allocated amounts, however, are not necessarily indicative of the actual amounts that might have been incurred had the Company operated as a separate stand-alone entity during the periods presented.

SunPower utilized a centralized approach to treasury, cash management, operation and maintenance of solar systems and financing its operations. The cash and cash equivalents held by SunPower at the corporate level are not specifically identifiable to the Company and therefore have not been reflected in the Company's combined balance sheet. Cash in the combined balance sheet represents cash held by legal entities of the Company that are specifically attributable to the Company. SunPower's external debt and related expense have not been attributed to the Company for the periods presented because SunPower's borrowings are neither directly attributable to the Company nor is the Company the legal obligor of such borrowings. Customer warranty obligations arising from the New Homes and Non-Installing Dealer businesses are legally the responsibility of SunPower Corporation and deemed not enforceable to the Company and as such are not presented within the combined financial statements. Any warranty represented on the combined balance sheet represents warranty obligation held by Blue Raven Solar.

Fiscal Periods

We have 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. The current fiscal period, September 29, 2024, is a 39-week reporting period. The prior fiscal year, fiscal 2023, is a 52-week fiscal year.

Summary of Significant Accounting Policies

Management Estimates

The preparation of the combined financial statements in conformity with U.S. GAAP requires our management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities reported in these combined financial statements and accompanying notes. We base our estimates on historical experience and various other assumptions believed to be reasonable. Our actual financial results could materially differ from those estimates. Significant estimates in these combined financial statements include revenue recognition, specifically nature and timing of satisfaction of performance obligations, standalone selling price of performance obligations, and variable consideration; credit losses, including estimating macroeconomic factors affecting historical recovery rate of receivables; inventory and project asset write-downs, valuation of contingencies such as litigation; the incremental borrowing rate used in discounting of lease liabilities; the fair value of indemnities provided to customers and other parties; and income taxes and tax valuation allowances.

Going Concern

The Company's combined financial statements are prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of obligations in the normal course of business. However, the Company has reoccurring losses and cash used in operations in the past two years. This condition, among others, raises substantial doubt about the ability of the Company to continue as a going concern.

Cash Equivalents

Highly liquid investments with original or remaining maturities of ninety days or less at the date of purchase are considered cash equivalents. As of September 29, 2024 and December 31, 2023, the Company maintained cash balances of $3.6 million and $3.8 million, respectively, in excess of federally insured limits. There were no cash equivalents as of September 29, 2024 and December 31, 2023.

Concentration of Credit Risk

We are exposed to credit losses in the event of nonperformance by the counterparties to our financial. Financial and derivative instruments that potentially subject us to concentrations of credit risk are primarily cash and cash equivalents, accounts receivable, and advances to suppliers. We regularly evaluate the credit standing of our counterparty financial institutions.

In addition, we recognize an allowance for credit loss at the time a receivable is recorded based on our estimate of expected credit losses, historical write-off experience, and current account knowledge, and adjust this estimate over the life of the receivable as needed. 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.

We perform ongoing credit evaluations of our customers' financial condition whenever deemed necessary. We maintain an allowance for doubtful accounts 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.

As of and for the thirty-nine weeks ended September 29, 2024 and fiscal year ended December 31, 2023, we had no customers that accounted for at least 10% of our accounts receivable balance and revenue.

Advertising Costs

The advertising costs are expensed as incurred, included in the combined income statement within Sales, general, and administrative expenses. Advertising costs incurred total $0.2 million and $0.7 million for the thirty-nine week period ended September 29, 2024 and the fiscal year ended December 31, 2023, respectively.

Contract Assets and Liabilities

Contract assets represent accounts receivable unbilled for transactions where revenue has been recognized in advance of billing the customer. Revenue may be recognized in advance of billing the customer, resulting in an amount recorded to "contract assets" or "accounts receivable, net" depending on the expected timing of payment for such unbilled accounts receivable. Once we have an unconditional right to consideration, we typically bill our customer and reclassify the "contract assets" to "accounts receivable, net." Contract liabilities consist of deferred revenue and customer advances, which represent consideration received from a customer prior to transferring control of goods or services to the customer under the terms of a sales contract.

Inventories

Inventories are accounted for on a first-in-first-out basis and are valued at the lower of cost or 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, available third-party inventory, and growth plans. In addition, expected demand by geography has changed historically due to changes in the availability and size of government mandates and economic incentives.

Prepaid Expenses and Other Current Assets

Prepaid expenses consist of prepaid commissions by the Company to its sales representatives on solar panel system sales and installation for which cash has been paid, but the expenses has not yet been incurred. Deferred costs represent costs to fulfill a contract which are associated with the installation of solar panel systems that are not yet complete. These costs include the costs of acquiring needed system components and the cost of labor to install the related systems. These costs are recognized in cost of revenue when the related performance obligations are met.

Property and Equipment, net

Property and equipment, net 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 or the remaining term of the lease. Repairs and maintenance costs are expensed as incurred.

	Useful Lives in Years
Leasehold improvements	1 to 20
Vehicles	5 to 7
Computer equipment and software	2 to 7
Furniture and fixtures	3 to 5

Lease Accounting

We determine if an arrangement is or contains 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 combined balance sheets. Our finance lease agreements are for vehicle finance leases and are included within property and equipment, net, accrued liabilities, and other long-term liabilities on the combined balance sheets. We elected the practical expedient to combine our lease and related non-lease components for all our leases.

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 that do not depend on an index or rate are excluded from the ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred. 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 our operating and finance leases is recognized on a straight-line basis over the lease term. In addition, for our finance leases, we recognize the interest on the financing component related to the leases.

When events or changes in circumstances indicate that the carrying value of the right-of-use assets may not be recoverable, we compare its future undiscounted cash flow to the carrying value. If the carrying value exceeds the future undiscounted cash flow, an impairment loss is recognized to record the assets at fair value. Right-of-use assets, along with any other related long-lived assets, are periodically evaluated for impairment whenever events or circumstances indicate that their carrying values may not be fully recoverable. No impairment loss was recognized for either of the thirty-nine weeks ended September 29, 2024, and fiscal year ended December 31, 2023.

Accounts Receivables, Net

Accounts receivable are carried at original invoice amount less an allowance for doubtful accounts. Receivables consist of amounts due from third-party financing companies or from homeowners for solar panel systems installed and for which the Company has fulfilled its performance obligations under its contract. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable and is determined based on our historical collection experience, age of the receivable, knowledge of the customer and the condition of the general industry and economy.

We record changes in our estimate in the allowance for doubtful accounts through bad debt expense and relieve the allowance when the accounts are ultimately determined to be uncollectible. Bad debt expense is included in Sales, general, and administrative expenses within the Combined Statement of Operations.

Recoveries of accounts receivable previously written off are recorded when cash is received.

	As of	
(In Thousands)	**September 29, 2024**	**December 31, 2023**
Balance at the beginning of period	$ 4,347	$ 3,328
Bad debt expense	4,653	1,828
Write-off	(4,797)	(810)
Balance at end of period	$ 4,203	$ 4,346

Income Taxes

Deferred tax assets and liabilities are recognized for temporary differences between financial statement and income tax bases of assets and liabilities and are measured using the enacted tax rates expected to be in effect during the year in which the basis difference reverses. 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.

The Company recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

As applicable, interest and penalties on tax contingencies are included in “Benefit from (provision for) income taxes” in the combined statements of operations and such amounts were not material for any periods presented.

Revenue Recognition

Our revenue recognition policy follows guidance from Accounting Standards Codification 606, Revenue from Contracts with Customers (Topic 606) through the following five-step framework:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

The Company’s revenue is composed of solar power system and government or utility rebates and incentives. We recognize revenue from contracts with customers when we have completed our performance obligations under an identified contract. The revenue is recognized in an amount that reflects the consideration for the corresponding performance obligations for the goods and services transferred.

The revenue recognition standard requires the capitalization of certain incremental costs of obtaining a contract. These incremental costs are deferred until installation is completed.

Solar Power Systems Sales

A majority of our revenue is generated by sales of fully functioning solar power systems to our customers. We sell our products through a network of installing and non-installing dealers and resellers. Usually, our performance obligation is to design and install a fully functioning solar energy system. We recognize revenue when the solar power system is fully installed and the final permit is received from the authority having jurisdiction, as we deem our performance obligation under the contract to be complete at such time, and the customer retains all of the significant risks and rewards of ownership of the solar power system. Our costs to obtain and fulfill contracts, when recognized, associated with systems sales are expensed as sales, general, and administrative expense and cost of revenue, respectively. In addition, incentives we provide to our customers, such as discounts and rebates, are recorded net to the revenue we have recognized on the solar power system.

Revenue is generally recognized at transaction price, net of costs of financing, or other consideration paid to the customers that is not in exchange for a distinct good or service. Variable consideration is estimated at each measurement date at its most likely amount to the extent that it is probable that a significant reversal of cumulative revenue recognized will not occur and true-ups are applied prospectively as such estimates change.

Government or Utility Rebates and Incentives

The Company applies for and receives state, local, and utility rebates and solar renewable energy credits (SRECs) in certain jurisdictions for power generated by solar energy systems it has sold to customers. The Company retains control of the rights to future SRECs and sells the SRECs generated from qualifying solar energy systems to a public utility pursuant to a Renewable Energy Credit Agreement. The terms of the agreement allow for the Company to bill the public utility in advance for the total amount of SRECs anticipated to be generated from each qualifying solar energy system over a 15-year period, commencing from the date such solar energy systems have been interconnected to the local power grid and granted permission to operate. The total contract prices is based on an agreed upon price per credit. The Company is required to make a collateral deposit with the public utility equal to 5% of the total contract price. As part of the agreement, the Company guarantees that the total number of SRECs generated by all of the identified solar energy systems will equal or exceed a total estimated amount. A guarantee liability related to the minimum SREC guarantee is recognized as a reduction to the transaction price, with subsequent changes in the guarantee liability recognized as operating income or expense, rather than a change in the transaction price. The Company recognizes revenue related to the sale of SRECs upon delivery to the public utility. During the thirty-nine weeks ended September 29, 2024 and December 31, 2023, revenue recognized related to rebates and SRECs was $1.7 million and $2.6 million, respectively.

Cost of Revenues

We include the following in cost of revenues: product-related costs, warranty costs, installer and engineering personnel and logistics costs, solar energy system operations, monitoring, and maintenance costs, freight costs, inventory write-downs, lead acquisition costs, quality control, design and proposal services and customer support, and employee-related expenses associated with proposal and permitting services.

Stock-Based Compensation

We provide stock-based awards to our employees, executive officers, and directors through various equity compensation plans including our employee stock option and restricted stock plans. We measure and record compensation expense for all stock-based payment awards based on estimated fair values. The fair value of restricted stock awards and units is based on the market price of our common stock on the date of grant. The vesting period for the stock-based awards is typically five years. Under current accounting guidance, we have made a policy election to estimate forfeitures at the date of grant, and we update such estimate on an annual basis. Our estimate of forfeitures is based on our historical activity, which we believe is indicative of expected forfeitures. In subsequent periods if the actual rate of forfeitures differs from our estimate, the forfeiture rates are required to be revised, as necessary. Changes in the estimated forfeiture rates can have a significant effect on stock-based compensation expense since the effect of adjusting the rate is recognized in the period the forfeiture estimate is changed.

We also grant performance share units to executive officers and certain employees that require us to estimate expected achievement of performance targets over the performance period. This estimate involves judgment regarding future expectations of various financial performance measures. If there are changes in our estimate of the level of financial performance measures expected to be achieved, the related stock-based compensation expense may be significantly increased or reduced in the period that our estimate changes.

Research and Development ("R&D") Expenses

R&D expense consists primarily of salaries and related personnel costs, depreciation, and the cost of solar cell and solar panel materials and services used for the development of products, including experiments and testing. R&D costs are expensed as incurred, except for software development costs which qualify for capitalization.

Goodwill Impairment

We test goodwill impairment at least annually during the last day of the third fiscal quarter, or when events or changes in circumstances indicate that goodwill might be impaired. The evaluation of impairment is performed at the reporting unit level. We have the option to perform a qualitative assessment of goodwill prior to completing a quantitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including existing goodwill.

If goodwill is determined more likely than not to be impaired upon an initial assessment of qualitative factors, the next step is to compare the fair value of each reporting unit to its carrying value, including existing goodwill. Goodwill is considered impaired if the carrying value of a reporting unit exceeds its fair value. The amount of impairment is limited to the amount of goodwill allocated to the reporting unit.

In measuring the fair value of the reporting units, we make estimates and judgments about our future cash flows using a discounted cash flow or a transaction approach defined as Level 3 input under fair value measurement standards. The income approach, specifically a discounted cash flow analysis, includes assumptions for, among others, forecasted revenue, gross margin, operating income, working capital cash flow, perpetual growth rates and long-term discount rates, all of which require significant judgment by management. These assumptions also consider the current industry environment and the resulting impact on our expectations for the performance of our business. The transaction approach, utilizes consummated transactions from a market participant to support the fair value of the net assets of the reporting unit. In the event that management determines that the value of goodwill has become impaired, we will incur an accounting charge for the amount of the impairment during the fiscal year in which the determination is made. Refer to Note 7. *Goodwill and Other Intangible Assets* for additional details on our goodwill impairment test performed during thirty-nine weeks ended September 29, 2024.

Accounting Pronouncements Not Yet Adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The objective of ASU 2023-09 is to enhance disclosures related to income taxes, including specific thresholds for inclusion within the tabular disclosure of income tax rate reconciliation and specified information about income taxes paid. ASU 2023-09 is effective for public companies starting in annual periods beginning after December 15, 2024. The Company is currently evaluating ASU 2023-09 to assess the impact to the Company's income tax disclosures within the Company's combined financial statements.

Note 2. *REVENUE FROM CONTRACTS WITH CUSTOMERS*

Our revenue for the thirty-nine weeks and the year ended September 29, 2024 and December 31, 2023 were $273.1 million and $610.0 million, respectively and consists mainly of solar power systems sales.

We recognize revenue from contracts with customers when we have completed our performance obligations under an identified contract. The revenue is recognized in an amount that reflects the consideration for the corresponding performance obligations for the goods and services transferred.

Revenue Disaggregation

(In Thousands)	Thirty-Nine Weeks Ended September 29, 2024	Fiscal Year Ended December 31, 2023
Revenue recognized at a point in time	$ 266,305	$ 602,199
Revenue recognized over time	6,813	7,836
	$ 273,118	$ 610,035

Contract Assets and Liabilities

Contract assets consist of unbilled receivables which represent revenue that has been recognized in advance of billing the customer, which is common for our residential cash and loan customers. Contract liabilities consist of deferred revenue and customer advances, which represent consideration received from a customer prior to transferring control of goods or services to the customer under the terms of a sales contract. Total contract assets and contract liabilities balances as of the respective dates are as follows:

	As of	
(In Thousands)	September 29, 2024	December 31, 2023
Contract assets	$ 35,759	$ 27,945
Contract liabilities	$ 19,058	$ 19,117

During the thirty-nine weeks ended September 29, 2024, we recognized revenue of $14.1 million that was included in contract liabilities as of December 31, 2023. During the year ended December 31, 2023, we recognized revenue of $27.6 million that was included in contract liabilities as of January 1, 2023.

Note 3. ***BALANCE SHEET COMPONENTS***

Accounts Receivable, Net

(In Thousands)	As of September 29, 2024	As of December 31, 2023
Accounts receivable, gross	$ 46,497	$ 36,424
Less: allowance for allowance for doubtful accounts	(4,203)	(4,346)
Accounts receivable, net	$ 42,294	$ 32,078

Inventories

The following table summarizes the components of inventories. The Company identifies inventory which is considered obsolete or in excess of anticipated demand based on a consideration of marketability and product life cycle stage, component cost trends, demand forecasts, historical revenues, and assumptions about future demand and market conditions to state inventory at the lower of cost or net realizable value.

(In Thousands)	As of September 29, 2024	As of December 31, 2023
Finished goods	$ 8,142	$ 4,689
Raw materials	3,290	2,934
	$ 11,432	$ 7,623

The reserve for excess and obsolete inventory for the thirty-nine weeks ended September 29, 2024 and fiscal year ended December 31, 2023, was approximately $3.8 million and $0.01 million, respectively.

Prepaid Expenses and Other Current Assets

(In Thousands)	As of September 29, 2024	As of December 31, 2023
Deferred costs	$ 56,345	$ 75,145
Prepaid insurance	1,094	73
Other prepaid expenses	1,805	1,688
	$ 59,244	$ 76,906

Property and Equipment, Net

Property and equipment as of thirty-nine weeks ended September 29, 2024 and fiscal year ended December 31, 2023, consisted of the following:

(In Thousands)	As of September 29, 2024	As of December 31, 2023
Computer equipment	$ 2,048	$ 2,048
Software	6,597	4,669
Furniture and fixtures	1,563	1,563
Vehicles[1]	11,833	12,057
Leasehold improvement	69	69
Property and equipment, gross	22,110	20,406
Less: accumulated depreciation and impairment	(12,553)	(8,649)
Property and equipment, net	$ 9,557	$ 11,757

1. Includes $8.7 million and $9.0 million of vehicles acquired via a financing lease as of September 29, 2024 and December 31, 2023, respectively.

Depreciation expense for the thirty-nine weeks ended September 29, 2024 and fiscal year ended December 31, 2023, was approximately $3.9 million and $4.6 million, respectively.

Other Noncurrent Assets

(In Thousands)	As of September 29, 2024	As of December 31, 2023
Security deposits	$ 134	$ 140
Other non-current assets	506	390
	$ 640	$ 530

Accrued Liabilities

(In Thousands)	As of September 29, 2024	As of December 31, 2023
Payroll and employee benefits	$ 7,369	$ 7,241
Legal fees	3,900	1,518
Finance lease liability - current	2,047	2,066
Customer rebates	5,715	7,362
Other accrued liabilities	13,553	14,487
	$ 32,584	$ 32,674

Other Long-term Liabilities

(In Thousands)	As of September 29, 2024	As of December 31, 2023
Finance lease liability – noncurrent	$ 2,459	$ 4,200
Asset retirement obligation liability	74	70
Other noncurrent liabilities	6,447	6,366
Deferred tax liabilities	-	572
	$ 8,980	$ 11,208

Note 4. *RELATED PARTY TRANSACTIONS*

The accompanying Combined Financial Statements are prepared on a stand-alone basis and are derived from SunPower Corporation's consolidated financial statements and accounting records.

Transactions between the Company and the Parent have been classified as related-party transactions. All related party transactions between the Company and Parent have been included in these combined financial statements. On the combined balance sheet, all related party balances are presented in net parent investment in the combined balance sheet as there is not a history of settling these transactions using cash.

Corporate Overhead Allocations

SunPower performed certain corporate functions, including executive oversight, treasury, tax, finance, legal, human resources, compliance, information technology, selling, research and development and other corporate functions on behalf of the Company. The expenses associated with these functions have been allocated based on direct usage or benefit where specifically identifiable, with the remainder allocated on a proportional cost allocation method based primarily on revenue, as applicable. The Company considers the expense methodology and resulting allocation to be reasonable for the period presented; however, the allocations may not be indicative of actual expenses that would have been incurred had the Company operated as an independent company for the period presented. Actual costs incurred had the Company been a stand-alone company would depend on several factors, including the chosen organizational structure and functions outsourced or performed by employees.

Cash Management

The total net effect of the settlement of these intercompany transactions is reflected in the combined statement of cash flows as a financing activity and in the combined balance sheet as net parent investment. The Company historically has not regularly settled balances with SunPower Corporation and the Company has not funded its own operating and investing activities as this was done at the Parent.

Related Party Sales

There were no operational sales to or from SunPower for any of the periods presented.

Net Parent Investment

The Net Parent Investment for the thirty-nine weeks ended September 29, 2024 was $52,734.

The accompanying combined statement of net parent investment and combined statement of cash flows are prepared in accordance with U.S. GAAP. As a result of carveout methodology as described in the Basis of Presentation, differences exist related to noncash items between the combined statements of net parent investment and the combined statements of cash flows with regard to transfers to and from Parent.

The components of the net transfers to and from Parent as of thirty-nine weeks ended September 29, 2024 and twelve months ended December 31, 2023 are as follows:

(In Thousands)	**Thirty-nine weeks ended September 29, 2024**	**Fiscal year ended December 31, 2023**
Corporate allocations	$ 332,084	$ 228,140
Transfers from subsidiary to parent	(221,973)	(167,823)
Total net transfers from Parent per Statement of Changes in Net Parent Investment	$ 110,111	$ 60,317

Note 5. *COMMITMENTS AND CONTINGENCIES*

Litigation

The Company is involved in various claims and legal actions arising in the ordinary course of business. In accordance with ASC 450, *Contingencies*, the Company accrues reserves for outstanding lawsuits, claims and proceedings when a loss contingency is probable and can be reasonably estimated. There are no losses that are probable, estimable or reasonably possible as of September 29, 2024 and December 31, 2023.

Note 6. *LEASES*

We lease certain facilities under non-cancellable operating leases from third parties. Our operating leases are subject to renewal options for periods ranging from one year to ten years. We also lease certain vehicle finance leases which are cancellable with a fee and subject to renewal options of month-to-month after the initial term, and recorded and presented within “property and equipment, net” on our combined balance sheets refer to Note 3. *Balance Sheet Components* for additional details.

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 asset such that the assets of similar characteristics and lease terms are shown within one single financial statement line item.

(In Thousands)	**Thirty-nine weeks ended September 29, 2024**	**Fiscal year ended December 31, 2023**
Operating lease cost	$ 795	$ 835
Finance lease cost:		
Amortization of leased assets in property and equipment	$ 1,487	$ 2,371
Interest on lease obligation	285	436
Total finance lease cost	$ 1,772	$ 2,807

The tables below present the summarized quantitative information with regard to facility and equipment lease contracts we have entered into:

The future minimum lease payments to be paid under non-cancellable leases in effect as of September 29, 2024, are as follows:

As of September 29, 2024	**Operating Lease**	**Financing Lease**
October – December 2024	$ 267	$ 577
2025	1,095	2,285
2026	1,128	1,749
2027	802	247
Total lease payments	3,292	4,858
Less: imputed interest	(329)	(352)
Total	$ 2,963	$ 4,506

Other information related to leases (Supplemental Cash Flows Information) as of thirty-nine weeks ended September 29, 2024, and Fiscal year ended December 31, 2023, are as follows:

(In Thousands)	Thirty-nine weeks ended September 29, 2024	Fiscal year ended December 31, 2023
Cash paid for amounts included in the measurement of lease liabilities –cash flows from operating leases	$ 5,517	$ 7,356
Right-of-use assets obtained in exchange for new operating lease obligations	-	-
Weighted-average remaining lease term – operating leases	2.98	3.72
Weighted-average discount rate – operating leases	7%	7%
Cash paid for amounts included in the measurement of lease liabilities finance leases	1,733	2,311
Right-of-use assets obtained in exchange for new finance lease obligations	-	2,531
Weighted-average remaining lease term – finance leases	2.01	2.73
Weighted-average discount rate – finance leases	7%	7%

Note 7. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

On October 4, 2021, we entered into a Securities Purchase Agreement to acquire all of the issued and outstanding membership interests of Blue Raven Solar Holdings, LLC (“Blue Raven”) and 35% of the issued and outstanding membership interests in Albatross Software, LLC, an affiliate of Blue Raven. Goodwill presented on our combined financial statements of $126.0 million as of December 31, 2023 represents Goodwill resulting from the acquisition of Blue Raven.

We test goodwill impairment at least annually during the last day of the third fiscal quarter, or when events or changes in circumstances indicate that goodwill might be impaired. The evaluation of impairment involves comparing the current fair value of our reporting unit to the book value (including goodwill). We have performed a quantitative assessment of goodwill to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. After assessing the totality of events and circumstances, specifically, the distressed sale of SunPower Businesses as further discussed in Note 10. *Subsequent Events*, we concluded that as of September 29, 2024, it is more likely than the fair value of our single reporting unit with goodwill is less than the book value. As such, we performed a quantitative assessment utilizing the transaction method and recognized a $103.9 million goodwill impairment for the thirty-nine weeks ended September 29, 2024. The impairment is recognized in loss on goodwill impairment.

Other Intangible Assets

The following table represents our other intangible assets with finite useful lives as of December 31, 2023. The intangible assets were written off during the thirty-nine weeks ended September 29, 2024 and we recognized a $3.9 million impairment loss. The impairment is recognized in sales, general, and administrative expenses. Amortization expense was $4.7 million for the thirty-nine weeks ended September 29, 2024, prior to the recognition of the impairment charge, and $6.3 million for the twelve months ended December 31, 2023.

	As of December 31, 2023		
(In Thousands)	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Book Value**
Developed technology	$ 3,700	$ (2,775)	$ 925
Brand	15,800	(8,888)	6,912
Non-compete agreement	3,400	(2,550)	850
	$ 22,900	$ (14,213)	$ 8,687

Note 8. INCOME TAXES

The income tax (benefit) expense has been calculated using the separate return method, which is meant to reflect how taxes would have been recorded had the Company filed its own return. The Company is not subject to examination by the U.S. federal and local income tax authorities due to the legal form of the sale of SunPower Businesses as described in Note 10. *Subsequent Events*.

As of the thirty-nine weeks ended September 29, 2024, and the fiscal year ended December 31, 2023, we recorded a net income tax (benefit) of $(572) thousand and expense of $267 thousand, respectively.

The components of the (benefit) expense for income taxes, net are as follows:

(In Thousands)	**Thirty-nine weeks ended September 29, 2024**	**Fiscal year ended December 31, 2023**
Current:		
Federal:	$ -	$ -
State:	-	-
Total current	$ -	$ -
Deferred:		
Federal:	$ (554)	$ 262
State:	(18)	5
Total deferred	(572)	267
Income tax (benefit) expense	$ (572)	$ 267

Income tax (benefit) expense differed from the amount computed by applying the federal statutory income tax rate of 21% to pretax income for the thirty-nine weeks ended September 29, 2024 and fiscal year ended December 31, 2023 as a result of the impact of state income taxes, add backs for allocated stock based compensation, and the related valuation allowance.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets or liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of our deferred tax assets and liabilities are as follows:

(In Thousands)	Thirty-nine weeks ended September 29, 2024	Fiscal year ended December 31, 2023
Deferred tax assets:		
Net operating loss	$ 41,822	$ 13,448
Intangibles assets	29,943	2,880
Capitalized research costs	1,003	835
Stock based compensation	269	140
Deferred lease liability	769	917
Accruals and reserves	4,684	2,763
Property and equipment	489	-
Other	493	147
Gross deferred tax assets	79,472	21,130
Valuation allowance	(77,964)	(20,185)
Total deferred tax assets	1,508	945
Deferred tax liabilities:		
Right of use asset	(651)	(781)
Property and equipment	-	(180)
Prepaid expenses	(857)	(556)
Total deferred tax liabilities	(1,508)	(1,517)
Net deferred tax assets (liabilities):	$ -	$ (572)

We have assessed our ability to realize its deferred tax assets and has recorded a valuation allowance against such assets to the extent that, based on the weight of all available evidence, it is more likely than not that all or a portion of the deferred tax assets will not be realized. In assessing the likelihood of future realization of its deferred tax assets, we placed a significant amount of weight on the Company's history of generating U.S. tax losses, including in the current year. The net change in the valuation allowance for the thirty-nine weeks ended September 29, 2024, was an increase of $57.8 million.

The net operating losses disclosed above were allocated within the carve-out financial statements based on historical losses and business operations of the SunPower Businesses, and are not available to Complete Solaria Inc. following the sale of SunPower Businesses to Complete Solaria, Inc. further described in Note 10. *Subsequent Events*.

The Company recognizes interest and penalties related to unrecognized tax benefits in the income tax (benefit) expense provision. We account for income tax uncertainties using a threshold of more-likely than-not. There were no unrecognized tax benefits as of September 29, 2024 and December 31, 2023 that if recognized, would effect the effective tax rate.

Note 9. STOCK-BASED COMPENSEATION

The following table summarizes the stock-based compensation expense by line item in our combined statements of operations:

(In Thousands)	**Thirty-Nine Weeks Ended September 29, 2024**	**Fiscal Year Ended December 31, 2023**
Cost of revenues	$ 501	$ 1,279
Sales, general, and administrative	2,276	5,814
	$ 2,777	$ 7,093

Note 10. *SUBSEQUENT EVENTS*

In preparing these combined financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through December 16, 2024, the date the combined financial statements were available to be issued.

On August 5, 2024, SunPower Corporation entered into an Asset Purchase Agreement (the "APA") with Complete Solaria, Inc. ("CSLR") providing for the sale and purchase of certain assets relating to SunPower's Blue Raven Solar business and certain assets relating to the new homes and non-installing dealer network activities previously operated by SunPower (the "Acquired Assets"). The APA was entered into in connection with a voluntary petition filed by SunPower under Chapter 11 of the United States Code, 11 U.S.C.§§ 101-1532 ("Bankruptcy Code"). The sale by SunPower was approved on September 23, 2024, by the United States Bankruptcy Court for the District of Delaware. The Company completed the acquisition of the Acquired Assets effective September 30, 2024, in consideration for a cash purchase price of $52.7 million.

Exhibit 99.2

UNAUDITED PRO FORMA

COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined financial statements are derived from the historical consolidated Complete Solaria, Inc. (the "Company", "Complete Solaria", or "CSLR") the historical combined financial statements of SunPower Businesses, respectively and reflects (1) the acquisition of certain businesses from SunPower Corporation which closed on September 30, 2024 (the "Acquisition"), and (2) the financing of the Acquisition (the "Financing").

The unaudited pro forma combined financial information related to the Acquisition has been prepared by the Company using the acquisition method of accounting in accordance with GAAP. The Company has been treated as the acquirer for accounting purposes and thus accounts for the Acquisition as a business combination in accordance with Accounting Standards Codification ("ASC") Topic 805, Business Combinations ("ASC 805"). The estimated fair value of the assets acquired and liabilities assumed and the related purchase price allocation is preliminary and have been made solely for the purpose of providing unaudited pro forma combined financial information. As a result of the foregoing, the pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma combined financial information.

The unaudited pro forma combined balance sheet as of September 29, 2024 combines the historical balance sheet of the Company and the historical balance sheet of SunPower Businesses, on a pro forma basis as if the Acquisition had been consummated on September 29, 2024 (the Financing is included in the Company's historical balance sheet as of September 29, 2024). The unaudited pro forma combined statements of operations for the year ended December 31, 2023 and the thirty nine weeks ended September 29, 2024, combine the historical statements of operations of the Company and SunPower Businesses on a pro forma basis as if the Acquisition and the Financing, summarized below, had been consummated on January 1, 2023, the beginning of the earliest period presented.

The unaudited pro forma combined financial information does not give effect to any cost savings, operating synergies or revenue synergies that may result from the Acquisition.

The unaudited pro forma combined financial statements have been developed from and should be read in conjunction with:

- the accompanying notes to the Unaudited Pro Forma Combined Financial Statements;
- the historical audited financial statements of the Company for the year ended December 31, 2023 and the related notes in its Annual Report on Form 10-K for such fiscal year;
- the historical unaudited financial statements of the Company as of and for the thirty-nine weeks ended September 29, 2024 and the related notes in its Quarterly Report on Form 10-Q for such period;
- the audited carveout financial statements of the SunPower Businesses as of and for the year ended December 31, 2023, and the audited carveout financial statements of the SunPower Businesses as of and for the thirty-nine weeks ended September 29, 2024, which are attached as Exhibit 99.1 of this Current Report on Form 8-K.

Assumptions and estimates underlying the unaudited pro forma adjustments set forth in the unaudited pro forma combined financial statements are described in the accompanying notes. The unaudited pro forma combined financial statements have been presented for illustrative purposes only and are not necessarily indicative of the operating results and financial position that would have been achieved had the Acquisition and Financing occurred on the dates indicated. Further, the unaudited pro forma combined financial statements do not purport to project the future operating results or financial position of CSLR following the completion of the Acquisition. The unaudited pro forma adjustments represent management's estimates based on information available as of the date of these unaudited pro forma combined financial statements and are subject to change as additional information becomes available and analyses are performed.

UNAUDITED PRO FORMA COMBINED BALANCE-SHEET
AS OF SEPTEMBER 29, 2024
(In thousands, except share par values)

	CSLR	SunPower Businesses	Transaction Adjustments	Pro Forma Balance-Sheet
ASSETS				
Current assets:				
Cash and cash equivalents	$ 79,502	$ 1,863	$ (52,733)(A)	$ 28,632
Accounts receivable, net	8,482	42,294	(35,737)(A)	15,039
Contract assets	-	35,759	(25,826)(A)	9,933
Inventories	607	11,432	-	12,039
Forward purchase agreement assets with related parties	907	-	-	907
Forward purchase agreement	169	-	-	169
Prepaid expenses and other current assets	12,816	59,244	(56,047)(A)	16,013
Total current assets	102,483	150,592	(170,343)	82,732
Restricted cash	3,841	-	-	3,841
Property and equipment, net	590	9,557	-	10,147
Operating lease right-of-use assets	868	2,507	-	3,375
Goodwill	-	22,070	13,089(A)	35,159
Other noncurrent assets	154	640	-	794
Total asset	$ 107,936	$ 185,366	$ (157,254)	$ 136,048
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current liabilities:				
Accounts payable	$ 4,627	$ 69,047	$ (62,817)(A)	$ 10,857
Accrued expenses and other current liabilities	29,825	32,584	(41,703)(A)	
			19,058(B)	39,764
Notes payable, net	2,696	-	-	2,696
Notes payable to related parties	1,574	-	-	1,574
Operating lease liabilities, current portion	-	908	-	908
Deferred revenue, current	1,092	-	-	1,092
SAFE Agreement with related party	1,900	-	-	1,900
Contract liabilities	-	19,058	(19,058)(B)	-
Total current liabilities	41,714	121,597	(104,520)	58,791
Warranty provision, noncurrent	3,322	-	-	3,322
Warrant liability	6,597	-	-	6,597
Deferred revenue, noncurrent	952	-	-	952
Notes payable and derivative liabilities, net of current portion	154,215	-	-	154,215
Notes payable to related parties	43,458	-	-	43,458
Operating lease liabilities, net of current portion	382	2,055	-	2,437
Other long-term liabilities	-	8,980	-	8,980
Total liabilities	250,640	132,632	(104,520)	278,752
Stockholders' (deficit) equity:				
Common stock, $0.0001 par value; Authorized 1,000,000,000 and 1,000,000,000 shares as of September 29, 2024 and December 31, 2023, respectively; issued and outstanding 72,977,921, and 49,065,361 shares as of September 29, 2024 and December 31, 2023, respectively	14	-	-	14
Additional paid-in capital	315,485	-	-	315,485
Accumulated other comprehensive loss	165	-	-	165
Accumulated deficit	(458,368)	-	-	(458,368)
Net parent investment	-	52,734	(52,734)(C)	-
Total stockholders' deficit	(142,704)	52,734	(52,734)	(142,704)
Total liabilities and stockholders' equity	$ 107,936	$ 185,366	$ (157,254)	$ 136,048

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE THIRTY-NINE WEEKS ENDED SEPTEMBER 29, 2024
(In thousands, except per share data)

	CSLR	SunPower Businesses	Reclassification Adjustments	Financing Adjustments	Pro Forma Income Statement
Revenues	$ 20,068	$ 273,118	$ -	$ -	$ 293,186
Cost of revenues	21,834	173,062	-	-	194,896
Gross (loss) profit	(1,766)	100,056	-	-	98,290
Operating expenses:	-	-	-	-	-
Sales commissions	11,691	-	33,398(D)		45,089
Sales and marketing	3,762	-	13,257(D)	-	17,019
General and administrative	29,789	-	177,238(D)	-	207,027
Sales, general, and administrative	-	219,932	(219,932)(D)	-	-
Loss on goodwill impairment	-	103,926	-	-	103,926
Research and development expenses	-	3,961	(3,961)(D)	-	-
Total operating expenses	45,242	327,819	-	-	373,061
Loss from continuing operations	(47,008)	(227,763)	-	-	(274,771)
Interest expense	(8,230)	(285)	-	(3,507)(E)	(12,022)
Interest income	102	-	-	-	102
Other expense, net	(66,234)	(12)	-	-	(66,246)
Gain on extinguishment of debt	19,948	-	-	-	19,948
Total other (expense)	(54,414)	(297)	-	(3,507)	(58,218)
Loss from continuing operations before income taxes	(101,422)	(228,060)	-	(3,507)	(332,989)
Income tax (provision) benefit	(11)	572	-	-	561
Net loss from continuing operations	(101,433)	(227,488)	-	(3,507)	(332,428)
Discontinued operations:					
Loss from discontinued operations, net of tax	(2,007)	-	-	-	(2,007)
Net loss	(103,440)	(227,488)	-	(3,507)	(334,435)
Other comprehensive income:					
Foreign currency translation adjustment	22	-	-	-	22
Comprehensive loss (net of tax)	$ (103,418)	$ (227,488)	-	$ (3,507)	$ (334,413)
Net loss from continuing operations per share attributable to common stockholders, basic and diluted	$ (1.64)				$ (5.37)
Net loss from discontinued operations per share attributable to common stockholders, basic and diluted	$ (0.03)				$ (0.03)
Net loss per share attributable to common stockholders, basic and diluted	$ (1.67)				$ (5.40)
Weighted-average shares used to compute net loss per share, basic and diluted	61,868,747				61,868,747

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In thousands, except per share data)

	CSLR	SunPower Businesses	Reclassification Adjustments	Financing Adjustments	Pro Forma Income Statement
Revenues	$ 87,616	$ 610,035	$ -	$ -	$ 697,651
Cost of revenues	69,828	345,217	-	-	415,045
Gross profit	17,788	264,818	-	-	282,606
Operating expenses:	-	-	-	-	-
Sales commissions	31,127	-	69,382(F)	-	100,509
Sales and marketing	6,920	-	25,020(F)	-	31,940
General and administrative	32,099	-	205,121(F)		237,220
Sales, general, and administrative	-	290,693	(290,693)(F)	-	-
Research and development expenses	-	8,830	(8,830)(F)	-	-
Total operating expenses	70,146	299,523	-	-	369,669
Loss from continuing operations	(52,358)	(34,705)	-	-	(87,063)
Interest expense	(14,033)	(436)	-	(4,676)(G)	(19,145)
Interest income	36	-	-	-	36
Other expense, net	(29,862)	(28)	-	-	(29,890)
Total other (expense)	(43,859)	(464)	-	(4,676)	(48,999)
Loss from continuing operations before income taxes	(96,217)	(35,169)	-	(4,676)	(136,062)
Income tax (provision) benefit	20	(267)	-	-	(247)
Net loss from continuing operations	(96,197)	(35,436)	-	(4,676)	(136,309)
Discontinued operations:					
Loss from discontinued operations, net of tax	(25,853)	-	-	-	(25,853)
Impairment loss from discontinued operations	(147,505)				(147,505)
Net loss from discontinued operations, net of taxes	(173,358)	-	-	-	(173,358)
Net loss	(269,555)	(35,436)		(4,676)	(309,667)
Other comprehensive income:					
Foreign currency translation adjustment	116	-	-	-	116
Comprehensive loss (net of tax)	$ (269,439)	$ (35,436)	-	$ (4,676)	$ (309,551)
Net loss from continuing operations per share attributable to common stockholders, basic and diluted	$ (3.89)				$ (5.51)
Net loss from discontinued operations per share attributable to common stockholders, basic and diluted	$ (1.05)				$ (1.05)
Net loss per share attributable to common stockholders, basic and diluted	$ (4.94)				$ (6.56)
Weighted-average shares used to compute net loss per share, basic and diluted	24,723,370				24,723,370

Notes to Unaudited Pro Forma Combined Financial Statements

1. Basis of Presentation

The unaudited pro forma combined financial information was prepared in accordance with Article 11 of Regulation S-X, and presents the pro forma financial condition and results of operations of the Company based on the historical financial information of the Company and SunPower Businesses after giving effect to the Acquisition and Financing as set forth in the notes to the unaudited pro forma combined financial information.

The unaudited pro forma combined financial information does not reflect any management adjustments for expected effects of the Acquisition.

The Unaudited Pro Forma Combined Balance Sheet as of September 29, 2024 gives pro forma effect to the Acquisition as if it had been consummated on September 29, 2024. No adjustments related to the Financing as described in the section entitled “Financing of the Acquisition” have been applied to the unaudited pro forma combined balance sheet as of September 29, 2024, as these impacts are already reflected in the Company’s historical consolidated balance sheet as of September 29, 2024.

The Unaudited Pro Forma Combined Statement of Operations for the year ended December 31, 2023 and the thirty nine weeks ended September 29, 2024, give pro forma effect to the Acquisition and Financing as if it had been consummated on January 1, 2023.

The Asset Purchase Transaction

On August 5, 2024, Complete Solaria entered into an Asset Purchase Agreement (the “APA”) among Complete Solaria, SunPower and SunPower’s direct and indirect subsidiaries (collectively, the “SunPower Debtors”) providing for the sale and purchase of certain assets relating to the Blue Raven Solar business, New Homes Business and Non-Installing Dealer network previously operated by the SunPower Debtors. The APA was entered into in connection with a voluntary petition filed by SunPower under Chapter 11 of the United States Code, 11 U.S.C.§§ 101-1532. The sale by SunPower was approved on September 23, 2024, by the United States Bankruptcy Court for the District of Delaware. The Company completed the acquisition of the Acquired Assets (as defined in the APA) effective September 30, 2024, in consideration for a cash purchase price of $52.7 million. The acquisition transactions under the APA are referred to herein as the “Acquisition,” and the assets and businesses acquired by the Company under the APA are referred to as the “SunPower Businesses.” The acquisition was closed on September 30, 2024.

Financing of the Acquisition

Complete Solaria financed the acquisition by issuing 7% convertible senior notes (“the Convertible Notes”) in September 2024, which are due in 2029. The Convertible Notes matures on July 1, 2029 and are convertible into the Company’s common stock at the option of the holder at a conversion rate of $2.14 per share. The Convertible Notes will become immediately due and payable at the option of the holder in the event of default and upon a qualifying change of control event.

2. Notes to the Unaudited Pro Forma Combined Balance Sheet

The following adjustments were made related to the unaudited pro forma combined balance sheet as of September 29, 2024:

A. Reflects the $52.7 million of cash consideration transferred to consummate the Acquisition and recognize the assets acquired and liabilities assumed as detailed below.

The consideration transferred was allocated amongst the assets acquired and liabilities assumed. As the consideration transferred exceeded the fair value of the net assets acquired, the Company has estimated goodwill totaling $35.2 million. The goodwill recognized represents premium paid for the net assets acquired in the transaction. The Company continues to evaluate whether intangible assets were acquired in connection with the acquisition, and the estimates of fair value are based upon preliminary valuation assumptions.

	(In Thousands)
Net assets acquired:	
Cash	$ 1,863
Accounts receivable	6,557
Contract assets	9,933
Inventories	11,432
Prepaid expenses and other current assets	3,197
Property and equipment	9,557
Operating lease right-of-use assets	2,507
Other noncurrent assets	640
Accounts payable	(6,230)
Accrued expenses and other current liabilities	(9,939)
Operating lease liabilities	(2,963)
Other long-term liabilities	(8,980)
Fair value of net assets acquired	$ 17,574
Consideration transferred	$ 52,733
Goodwill recognized	$ 35,159

B. To conform the financial statement presentation for SunPower Businesses to the Company within the Balance Sheet as of September 29, 2024.

C. Net parent investment is eliminated upon the consummation of the business combination and has been eliminated herein.

3. Notes to the Unaudited Pro Forma Combined Statements of Operations

The pro forma adjustments included in the unaudited pro forma combined statements of operations for the thirty-nine weeks ended September 29, 2024 and for the are as follows:

D. To conform the financial statement presentation for SunPower Businesses to the Company within the Statement of Operations for the 39 weeks ended September 29, 2024.

E. Reflects the impact of interest expense on the 7% Convertible Senior Notes for the thirty-nine weeks ended September 29, 2024 assuming the Convertible Notes were issued on January 1, 2023.

The pro forma adjustments included in the unaudited pro forma combined statements of operations for the year ended December 31, 2023 are as follows:

F. To conform the financial statement presentation for SunPower Businesses to the Company within the Statement of Operations for the fiscal year ended December 31, 2023.

G. Reflects the impact of interest expense on the 7% Convertible Senior Notes for the fiscal year ended December 31, 2023 assuming the Convertible Notes were issued on January 1, 2023.