

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

FORM 10-Q

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

For the quarterly period ended June 29, 2025

OR

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

For the transition period from to

Commission file number 001-40117

COMPLETE SOLARIA, INC.  
(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of  
Incorporation or Organization)

93-2279786

(I.R.S. Employer  
Identification Number)

45700 Northport Loop East, Fremont, CA 94538  
(Address of Principal Executive Offices) (Zip Code)

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

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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	SPWR	Nasdaq
Redeemable warrants, each whole warrant exercisable for one share of common stock	SPWRW	Nasdaq

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

None

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

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

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

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

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

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

As of August 11, 2025, 83,108,708 shares of common stock, par value \$0.0001 per share, were issued and outstanding.

## TABLE OF CONTENTS

	<b>PAGES</b>
<a href="#">Special Note Regarding Forward-Looking Statements</a>	ii
<b><a href="#">PART I. FINANCIAL INFORMATION</a></b>	<b>1</b>
Item 1. <a href="#">Financial Statements</a>	1
<a href="#">Unaudited Condensed Consolidated Balance Sheets</a>	1
<a href="#">Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss</a>	2
<a href="#">Unaudited Condensed Consolidated Statements Stockholders' Deficit</a>	3
<a href="#">Unaudited Condensed Consolidated Statements of Cash Flows</a>	5
<a href="#">Notes to Unaudited Condensed Consolidated Financial Statements</a>	6
Item 2. <a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	36
Item 3. <a href="#">Quantitative and Qualitative Disclosures about Market Risk</a>	55
Item 4. <a href="#">Controls and Procedures</a>	55
<b><a href="#">PART II. OTHER INFORMATION</a></b>	<b>58</b>
Item 1. <a href="#">Legal Proceedings</a>	58
Item 1A. <a href="#">Risk Factors</a>	58
Item 2. <a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	58
Item 3. <a href="#">Defaults Upon Senior Securities</a>	58
Item 4. <a href="#">Mine Safety Disclosures</a>	58
Item 5. <a href="#">Other Information</a>	58
Item 6. <a href="#">Exhibits</a>	59
<a href="#">Signatures</a>	60

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q may constitute “forward-looking statements” for purposes of the federal securities laws. Our forward-looking statements include, but are not limited to, statements regarding our and our management team’s expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “will,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Quarterly Report on Form 10-Q may include, for example and without limitation, statements about:

- our direct and indirect exposure to companies in the solar and renewable energy industries that are facing financial difficulties and potential bankruptcies;
- our ability to grow and manage growth profitably following the closing of the Business Combination and the acquisition of the SunPower Businesses;
- disruptions in our supply chains and distribution channels, tariffs and trade barriers, export regulations, bank failures, geopolitical conflicts and other macroeconomic conditions on our business and operations, results of operations and financial position;
- our ability to leverage our acquisition under the asset purchase agreement with SunPower and other acquisitions, including our ability to integrate acquired businesses, to fund and meet the liquidity needs of the acquired businesses, to retain key employees of the acquired businesses, to take advantage of growth opportunities and to realize the expected benefits of such acquisitions;
- the potential impact of changes to and developments relating to the regulations and policies applicable to our business, customers and the industry;
- changes in the availability of rebates, tax credits and other incentives;
- changes impacting the demand for solar solutions from residential customers and small and medium-sized businesses, including changes resulting from the current political climate and also changes in the price of electricity from other sources, including traditional utilities;
- changes in and the volatility of interest rates;
- our financial and business performance following the Business Combination and the acquisition of the SunPower Businesses, including financial projections and business metrics, and our ability to manage our costs;
- changes in our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects and plans;
- our future capital requirements, the sufficiency of our cash, and sources and uses of cash, including cash required to service our current and future borrowings;
- our ability to obtain funding for our operations and future growth, including in connection with the integration of our acquisitions, and our ability to raise capital and refinance our existing debt;

- our ability to meet the expectations of new and current customers, and our ability to achieve market acceptance for our products and services, especially in light of the intense competition faced in our industry;
- our expectations and forecasts with respect to market opportunity and market growth;
- our expectations and plans relating to cost control efforts (including headcount management and potential reductions) and expectations with respect to when we achieve breakeven operating income;
- the ability of our products and services to meet customers' compliance and regulatory needs;
- our ability to attract and retain qualified employees and management;
- our ability to develop and maintain our brand and reputation, and our ability to maintain our relationships with key suppliers, installers and build partners;
- developments and projections relating to our competitors and industry;
- changes in general economic and financial conditions, inflationary pressures and the resulting impact demand, and our ability to plan for and respond to the impact of those changes;
- our expectations regarding our ability to obtain and maintain intellectual property protection and not infringe on the rights of others; and
- our business, expansion plans and opportunities.

Actual events or results may differ from those expressed in forward-looking statements. You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that may affect our business, financial condition and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and we cannot predict all risks and uncertainties that could impact the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements in this Quarterly Report on Form 10-Q relate only to events as of the date the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of future acquisitions, mergers, dispositions, joint ventures or investments.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

COMPLETE SOLARIA, INC.  
**Unaudited Condensed Consolidated Balance Sheets**  
*(in thousands except share and per share amounts)*

	<u>June 29, 2025</u>	<u>December 29, 2024</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 11,125	\$ 13,378
Accounts receivable, net	39,174	25,842
Inventories	5,189	22,110
Prepaid expenses and other current assets	9,117	8,206
Contract assets	51,779	26,066
Total current assets	<u>116,384</u>	<u>95,602</u>
Restricted cash	3,841	3,841
Property and equipment, net	3,808	5,493
Operating lease right-of-use assets	2,437	3,041
Intangible assets, net	15,955	17,385
Goodwill	19,825	18,476
Other noncurrent assets	890	628
Total assets	<u>\$ 163,140</u>	<u>\$ 144,466</u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 17,311	\$ 7,980
Accrued expenses and other current liabilities <sup>(1)</sup>	58,754	56,081
Current portion of notes payable with related parties	1,500	1,500
Contract liabilities	21,155	10,003
SAFE Agreement with related party	418	384
Forward purchase agreement liabilities with related parties	—	1,274
Forward purchase agreement liabilities	1,882	2,220
Total current liabilities	<u>101,020</u>	<u>79,442</u>
Warranty provision, noncurrent	3,437	3,437
Warrant liability	4,604	1,561
Contract liabilities, noncurrent	794	918
Notes payable and derivative liabilities	122,916	92,638
Notes payable and derivative liabilities with related parties, net of current portion	28,443	53,193
Operating lease liabilities, net of current portion	1,580	2,263
Other long-term liabilities	7,530	8,553
Total liabilities	<u>270,324</u>	<u>242,005</u>
Commitments and contingencies (Note 12)		
<b>Stockholders' (deficit):</b>		
Common stock, \$0.0001 par value; Authorized 1,000,000,000 shares as of June 29, 2025, and December 29, 2024; issued and outstanding 82,325,722 and 73,784,645 shares as of June 29, 2025, and December 29, 2024, respectively.	14	14
Additional paid-in capital	318,311	313,661
Accumulated other comprehensive income	165	165
Accumulated deficit	(425,674)	(411,379)
Total stockholders' (deficit)	<u>(107,184)</u>	<u>(97,539)</u>
Total liabilities and stockholders' (deficit)	<u>\$ 163,140</u>	<u>\$ 144,466</u>

(1) Includes accrued interest due to related parties of \$2.9 million and \$2.2 million as of June 29, 2025, and December 29, 2024, respectively. Includes a deposit from a related party of \$5.0 million and zero as of June 29, 2025 and December 29, 2024, respectively.

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*

**COMPLETE SOLARIA, INC.**  
**Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss**  
*(in thousands except share and per share amounts)*

	<b>Thirteen Weeks Ended</b>		<b>Twenty-Six Weeks Ended</b>	
	<b>June 29, 2025</b>	<b>June 30, 2024</b>	<b>June 29, 2025</b>	<b>June 30, 2024</b>
Revenues <sup>(1)</sup>	\$ 67,524	\$ 4,492	\$ 150,264	\$ 14,532
Cost of revenues <sup>(1)</sup>	38,763	5,384	89,005	13,141
Gross profit (loss)	28,761	(892)	61,259	1,391
Operating expenses:				
Sales commissions <sup>(1)</sup>	9,055	1,305	16,739	4,421
Sales and marketing	6,833	1,051	15,297	2,669
General and administrative	15,591	6,246	30,899	11,339
Total operating expenses	31,479	8,602	62,935	18,429
Loss from continuing operations	(2,718)	(9,494)	(1,676)	(17,038)
Interest expense <sup>(2)</sup>	(7,660)	(2,324)	(15,154)	(5,892)
Interest income	—	10	3	16
Other (expense) income, net <sup>(3)</sup>	(12,044)	(2,069)	2,532	(550)
Total other (expense), net	(19,704)	(4,383)	(12,619)	(6,426)
Loss from continuing operations before income taxes	(22,422)	(13,877)	(14,295)	(23,464)
Income tax (provision)	—	(10)	—	(11)
Net loss from continuing operations	(22,422)	(13,887)	(14,295)	(23,475)
Loss from discontinued operations, net of tax	—	(2,007)	—	(2,007)
Net loss from discontinued operations, net of taxes	—	(2,007)	—	(2,007)
Net loss	(22,422)	(15,894)	(14,295)	(25,482)
Other comprehensive loss:				
Foreign currency translation adjustment	—	67	—	(22)
Comprehensive loss (net of tax)	\$ (22,422)	\$ (15,827)	\$ (14,295)	\$ (25,504)
Net loss from continuing operations per share attributable to common stockholders				
Basic	\$ (0.28)	\$ (0.23)	\$ (0.18)	\$ (0.43)
Diluted	\$ (0.28)	\$ (0.23)	\$ (0.18)	\$ (0.43)
Net loss from discontinued operations per share attributable to common stockholders				
Basic	\$ —	\$ (0.03)	\$ —	\$ (0.03)
Diluted	\$ —	\$ (0.03)	\$ —	\$ (0.03)
Net loss per share attributable to common stockholders				
Basic	\$ (0.28)	\$ (0.26)	\$ (0.18)	\$ (0.46)
Diluted	\$ (0.28)	\$ (0.26)	\$ (0.18)	\$ (0.46)
Weighted-average shares used to compute net loss per share attributable to common stockholders				
Basic	80,827,976	61,111,005	80,471,380	54,941,543
Diluted	80,827,976	61,111,005	87,191,380	54,941,543

(1) Includes revenue and commission expense attributable to related party of \$0.1 million, and \$0.1 million in the thirteen and twenty-six week periods ended June 29, 2025. There were no similar related party transactions included the thirteen and twenty six week periods ended June 30, 2024. Refer to Note 16 – Related Party Transactions for details.

(2) Includes related party interest expense and amortization of debt issuance costs of \$1.6 million and \$1.4 million in the thirteen week periods ended June 29, 2025, and June 30, 2024, respectively. Includes related party interest expense and amortization of debt issuance costs of \$3.6 million and \$4.0 million in the twenty-six week periods ended June 29, 2025, and June 30, 2024, respectively.

(3) Includes the following related party transactions (in millions):

	<b>Thirteen Weeks Ended</b>		<b>Twenty-Six Weeks Ended</b>	
	<b>June 29, 2025</b>	<b>June 30, 2024</b>	<b>June 29, 2025</b>	<b>June 30, 2024</b>
(Loss) gain on remeasurement of derivative liabilities (Note 9 – Borrowings and Derivative Liabilities)	\$ (1.6)	\$ —	\$ 2.1	\$ —
Gain (loss) due to change in fair value of Forward Purchase Agreements	—	1.0	0.1	(1.0)
Loss on conversion of SAFE Agreements to common stock	—	(1.3)	—	(1.3)
(Loss) gain due to change in fair value of Carlyle warrants	—	(3.6)	—	2.9
Non-cash income due to related parties	—	—	0.1	—

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*

**COMPLETE SOLARIA, INC.**  
**Unaudited Condensed Consolidated Statements of Stockholders' Deficit**  
*(in thousands except number of shares)*

**Thirteen Weeks Ended June 29, 2025**

	<u>Common Stock</u>		<u>Additional Paid-in- Capital</u>	<u>Accumulated Deficit</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Stockholders' (Deficit)</u>
	<u>Shares</u>	<u>Amount</u>				
<b>Balance as of March 30, 2025</b>	<b>79,921,908</b>	<b>\$ 14</b>	<b>\$ 314,092</b>	<b>\$ (403,252)</b>	<b>\$ 165</b>	<b>\$ (88,981)</b>
Exercise of common stock options	489,782	—	502	—	—	502
Stock-based compensation	—	—	3,717	—	—	3,717
Vesting of restricted stock units	1,914,032	—	—	—	—	—
Exercise of common stock warrants	—	—	—	—	—	—
Net loss	—	—	—	(22,422)	—	(22,422)
<b>Balance as of June 29, 2025</b>	<b>82,325,722</b>	<b>\$ 14</b>	<b>\$ 318,311</b>	<b>\$ (425,674)</b>	<b>\$ 165</b>	<b>\$ (107,184)</b>

**Thirteen Weeks Ended June 30, 2024**

	<u>Common Stock</u>		<u>Additional Paid-in- Capital</u>	<u>Accumulated Deficit</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Stockholders' (Deficit)</u>
	<u>Shares</u>	<u>Amount</u>				
<b>Balance as of March 31, 2024</b>	<b>49,096,537</b>	<b>\$ 7</b>	<b>\$ 279,332</b>	<b>\$ (364,516)</b>	<b>\$ 98</b>	<b>\$ (85,079)</b>
Exercise of common stock options	58,861	—	34	—	—	34
Stock-based compensation	—	—	1,229	—	—	1,229
Issuance of common stock warrant for services	—	—	1,420	—	—	1,420
Issuance of common stock upon conversion of SAFE Agreements with related party	13,888,889	6	6,244	—	—	6,250
Net loss	—	—	—	(15,894)	—	(15,894)
Foreign currency translation adjustment	—	—	—	—	67	67
<b>Balance as of June 30, 2024</b>	<b>63,044,287</b>	<b>\$ 13</b>	<b>\$ 288,259</b>	<b>\$ (380,410)</b>	<b>\$ 165</b>	<b>\$ (91,973)</b>

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*

**Twenty-Six Weeks Ended June 29, 2025**

	Common Stock		Additional Paid-in- Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' (Deficit)
	Shares	Amount				
<b>Balance as of December 29, 2024</b>	<b>73,784,645</b>	<b>\$ 14</b>	<b>\$ 313,661</b>	<b>\$ (411,379)</b>	<b>\$ 165</b>	<b>\$ (97,539)</b>
Exercise of common stock options	533,575	—	559	—	—	559
Stock-based compensation	—	—	4,031	—	—	4,031
Vesting of restricted stock units	2,007,502	—	—	—	—	—
Exercise of common stock warrants	6,000,000	—	60	—	—	60
Net loss	—	—	—	(14,295)	—	(14,295)
<b>Balance as of June 29, 2025</b>	<b>82,325,722</b>	<b>\$ 14</b>	<b>\$ 318,311</b>	<b>\$ (425,674)</b>	<b>\$ 165</b>	<b>\$ (107,184)</b>

**Twenty-Six Weeks Ended June 30, 2024**

	Common Stock		Additional Paid-in- Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' (Deficit)
	Shares	Amount				
<b>Balance as of December 31, 2023</b>	<b>49,065,361</b>	<b>\$ 7</b>	<b>\$ 277,965</b>	<b>\$ (354,928)</b>	<b>\$ 143</b>	<b>\$ (76,813)</b>
Exercise of common stock options	90,037	—	60	—	—	60
Stock-based compensation	—	—	2,570	—	—	2,570
Issuance of common stock warrant for services	—	—	1,420	—	—	1,420
Issuance of common stock upon conversion of SAFE Agreements with related party	13,888,889	6	6,244	—	—	6,250
Net loss	—	—	—	(25,482)	—	(25,482)
Foreign currency translation adjustment	—	—	—	—	22	22
<b>Balance as of June 30, 2024</b>	<b>63,044,287</b>	<b>\$ 13</b>	<b>\$ 288,259</b>	<b>\$ (380,410)</b>	<b>\$ 165</b>	<b>\$ (91,973)</b>

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*

**COMPLETE SOLARIA, INC.**  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
*(in thousands except number of shares)*

	<b>Twenty-Six Weeks Ended</b>	
	<b>June 29, 2025</b>	<b>June 30, 2024</b>
<b>Cash flows from operating activities from continuing operations</b>		
Net loss	\$ (14,295)	\$ (25,482)
Net loss from discontinued operations, net of income taxes	—	(2,007)
Net loss from continuing operations	<u>(14,295)</u>	<u>(23,475)</u>
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	4,031	2,570
Non-cash interest expense	—	2,020
Non-cash lease expense	605	349
Depreciation and amortization	3,002	686
Provision for credit losses	1,217	900
Change in reserve for excess and obsolete inventory	—	(1,228)
Change in fair value of SAFE Agreement – related party	34	—
Change in fair value of forward purchase agreement liabilities <sup>(1)</sup>	(1,612)	2,822
Change in fair value of derivative liabilities <sup>(2)</sup>	(3,675)	—
Amortization of debt issuance costs <sup>(3)</sup>	9,318	—
Change in fair value of warrant liabilities	3,043	(2,625)
Non-cash income <sup>(4)</sup>	(314)	—
Loss on impairments and disposals	113	—
Accretion of debt in CS Solis – related party	—	3,872
Loss on conversion of SAFE Agreements to shares of common stock	—	1,250
Non-cash expense in connection with warrant issued for vendor services	—	1,639
Changes in operating assets and liabilities:		
Accounts receivable, net	(14,549)	12,378
Inventories	15,572	2,311
Contract assets	(25,713)	—
Prepaid expenses and other current assets	(911)	(1,422)
Other noncurrent assets	(262)	—
Accounts payable	9,316	(2,125)
Accrued expenses and other liabilities	(2,293)	(6,051)
Operating lease liabilities	(705)	(332)
Contract liabilities	11,028	(1,176)
Net cash used in operating activities	<u>(7,050)</u>	<u>(7,637)</u>
<b>Cash flows from investing activities from continuing operations</b>		
Capitalization of internal-use software costs	—	(883)
Net cash used in investing activities from continuing operations	<u>—</u>	<u>(883)</u>
<b>Cash flows from financing activities from continuing operations</b>		
Proceeds from issuance of convertible notes	200	—
Principal repayment of note payable	—	(300)
Finance lease payments	(1,022)	—
Proceeds from exercise of common stock options	559	60
Proceeds from exercise of warrant for common stock	60	—
Investor financing deposit – related party	5,000	2,000
Proceeds from issuance of SAFE Agreements	—	6,000
Net cash provided by financing activities from continuing operations	<u>4,797</u>	<u>7,760</u>
Effect of exchange rate changes	—	21
Net decrease in cash, cash equivalents and restricted cash	<u>(2,253)</u>	<u>(739)</u>
Cash, cash equivalents, and restricted cash at beginning of period	<u>17,219</u>	<u>6,416</u>
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 14,966</u>	<u>\$ 5,677</u>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid during the period for interest	\$ 1,445	\$ —
Cash paid for income taxes	—	10
<b>Supplemental disclosure of noncash financing and investing activities:</b>		
Conversion of SAFE Agreements to shares of common stock with related party	\$ —	\$ 5,000
Measurement period adjustment to increase goodwill due to a decrease in acquired fair value of inventory in SunPower Acquisition	1,349	—

(1) Includes related party expense of zero and \$1.0 million in the twenty-six week periods ended June 29, 2025, and June 30, 2024, respectively.

(2) Includes related party gain on remeasurement of \$2.1 million in the twenty-six week period ended June 29, 2025.

(3) Includes related party amortization of \$1.8 million in the twenty-six week period ended June 29, 2025.

(4) Includes related party non-cash income of \$0.1 million in the twenty-six week period ended June 29, 2025.



**(1) Organization**

***(a) Description of business***

Complete Solaria, Inc. (the “Company” or “Complete Solaria”) is incorporated in Delaware and is a residential solar installer that offers storage and home energy solutions to customers in North America. The Company was formed through Complete Solar Holding Corporation’s acquisition of The Solaria Corporation (“Solaria”). The Company is headquartered in Fremont, California.

Complete Solar, Inc. (“Complete Solar”) was incorporated in Delaware on February 22, 2010. Through February 2022, the Company operated as Complete Solar, Inc., a single legal entity. In February 2022, the Company implemented a holding company reorganization (the “Reorganization”) in which the Company created and incorporated Complete Solar Holding Corporation (“Complete Solar Holdings”). As a result of the Reorganization, Complete Solar Holdings became the successor entity to Complete Solar, Inc. Subsequently, Complete Solar Holdings changed its name to Complete Solaria, Inc.

On July 18, 2023, the Company consummated a series of merger transactions contemplated by an Amended and Restated Business Combination Agreement entered into with wholly-owned subsidiaries of Freedom Acquisition I Corp. (“FACT”) entered into on May 26, 2023 (“Mergers”), equating to a reverse recapitalization for accounting purposes. Under the reverse recapitalization of accounting, FACT was treated as the acquired company for financial statement reporting purposes. This determination was based on the Company having a majority of the voting power of the post-combination company, the Company’s senior management comprising substantially all of the senior management of the post-combination company, and the Company’s operations comprising the ongoing operations of the post-combination company. Accordingly, for accounting purposes, the Mergers were treated as the equivalent of a capital transaction in which Complete Solaria issued stock for the net assets of FACT. The net assets of FACT were stated at historical cost, with no goodwill or other intangible assets recorded.

On August 5, 2024, Complete Solaria entered into an Asset Purchase Agreement (the “APA”) among Complete Solaria, SunPower Corporation (“SunPower”) and SunPower’s direct and indirect subsidiaries (collectively, the “SunPower Debtors”) providing for the Company’s 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 (“SunPower Acquisition”). 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 on September 30, 2024.

***(b) Liquidity and going concern***

Since inception through June 29, 2025, the Company incurred recurring losses and has incurred negative cash flows from operations. The Company’s loss from continuing operations was \$14.3 million in the twenty-six weeks ended June 29, 2025. The Company had an accumulated deficit of \$425.7 million, total debt of \$152.9 million, and cash and cash equivalents, excluding restricted cash, of \$11.1 million as of June 29, 2025. The Company believes that operating losses and negative operating cash flows will continue into the foreseeable future. These conditions raise substantial doubt about the Company’s ability to continue as a going concern.

Management plans to obtain additional funding when necessary. Historically, the Company’s activities primarily have been financed through private placements of equity securities, the issuance of convertible notes and debt, cash generated from operations, and proceeds from the Mergers.

As a result of not timely filing its Annual Report on Form 10-K for the fiscal year ended December 29, 2024, the Company is not currently eligible to use a registration statement on Form S-3 that would allow the Company to continuously incorporate by reference its SEC reports into the registration statement, to use “shelf” registration statements to conduct offerings, or to use its at-the-market offering facility until approximately one year from the date the Company has regained and maintained status as a current filer. The Company’s inability to use Form S-3 may significantly impair its ability to raise necessary capital to fund its operations and execute its strategy. If the Company seeks to access the capital markets through a registered offering during the period of time that it is unable to use Form S-3, the Company may be required to publicly disclose the proposed offering and the material terms thereof before the offering commences, the Company may experience delays in the offering process due to SEC review of a Form S-1 registration statement, and the Company may incur increased offering and transaction costs and other considerations. If the Company is unable to raise capital through a registered offering, the Company would be required to conduct its equity financing transactions on a private placement basis, which may be subject to pricing, size and other limitations imposed under the Nasdaq rules, or seek other sources of capital. The foregoing limitations on the Company’s financing approaches could prevent the Company from pursuing transactions or implementing business strategies that would be beneficial to its business.

If the Company is not able to secure adequate additional funding when needed, the Company will need to reevaluate its operating plan and may be forced to make reductions in spending, extend payment terms with suppliers, liquidate assets where possible, or suspend or curtail planned programs or cease operations entirely. These actions could materially impact the Company’s business, results of operations and future prospects. While the Company has been able to raise multiple rounds of financing, there can be no assurance that in the event the Company requires additional financing, such financing will be available on terms that are favorable, or at all. Failure to generate sufficient cash flows from operations, raise additional capital or reduce certain discretionary spending would have a material adverse effect on the Company’s ability to achieve its intended business objectives.

Therefore, there is substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the unaudited condensed consolidated financial statements are issued. The accompanying unaudited condensed consolidated financial statements have been prepared assuming the Company will continue to operate as a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business. They do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from uncertainty related to its ability to continue as a going concern.

## **(2) Summary of Significant Accounting Policies**

### ***(a) Basis of presentation***

The interim unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation.

The accompanying interim condensed consolidated financial statements are unaudited and have been prepared by the Company in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, these interim unaudited condensed consolidated financial statements do not include all the information and disclosures required by U.S. GAAP for complete financial statements. In the opinion of management, these interim unaudited condensed consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly the Company’s financial position as of June 29, 2025, and the results of operations for the thirteen and twenty-six week periods ended June 29, 2025 and June 30, 2024. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year or any other future period. These interim unaudited condensed consolidated financial statements and related notes should be read in conjunction with the audited consolidated financial statements and related notes for the fiscal year ended December 29, 2024, included in the Company’s Annual Report on Form 10-K filed with the SEC on April 30, 2025.

On March 10, 2025, the Company’s board of directors approved a change in the Company’s fiscal year end to a 52-to-53-week fiscal year that ends on the Sunday closest to December 31. This change was effective for the fiscal year ended December 29, 2024. The Company’s first fiscal quarters for 2025 and 2024 in this report on Form 10-Q ended June 29, 2025 (“Second Quarter 2025”) and June 30, 2024 (“Second Quarter 2024”), respectively.

**(b) Cash and cash equivalents and restricted cash**

The Company reconciles cash, cash equivalents, and restricted cash reported in its unaudited condensed consolidated balance sheets that aggregate to the beginning and ending balances shown in the Company's unaudited condensed consolidated statements of cash flows as follows (*in thousands*):

	As of	
	June 29, 2025	December 29, 2024
Cash and cash equivalents	\$ 11,125	\$ 13,378
Restricted cash	3,841	3,841
Total cash, cash equivalents and restricted cash	<u>\$ 14,966</u>	<u>\$ 17,219</u>

**(c) Estimated credit losses**

The Company recognizes an allowance for credit loss at the time a receivable is recorded based on the Company's estimate of expected credit losses, historical write-off experience, and current account knowledge, and adjusts this estimate over the life of the receivable as needed. The Company evaluates the aggregation and risk characteristics of a receivable pool and develops loss rates that reflect historical collections, current forecasts of future economic conditions over the time horizon that the Company is exposed to credit risk, and payment terms or conditions that may materially affect future forecasts.

The Company performs ongoing credit evaluations of its customers' financial condition when deemed necessary. The Company maintains an allowance for credit losses based on the expected collectability of all accounts receivable, which takes into consideration an analysis of historical bad debts, specific customer creditworthiness and current economic trends. The Company believes that its concentration of credit risk is limited because of the large number of customers, credit quality of the customer base, small account balances for most of these customers, and customer geographic diversification. The Company does not have any off-balance sheet credit exposure relating to its customers.

The following table summarizes the allowance for credit losses as follows (*in thousands*):

	As of	
	June 29, 2025	June 30, 2024
Balance at beginning of period	\$ (1,701)	\$ (9,846)
(Provision) credit charged to earnings	(1,217)	(900)
Amounts written off, net of recoveries and other adjustments	443	802
Balance at end of period	<u>\$ (2,475)</u>	<u>\$ (9,944)</u>

**(d) Contract assets and contract liabilities**

Contract assets consist of unbilled receivables which represent revenue that has been recognized in advance of billing the customer. 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 (*in thousands*):

	As of	
	June 29, 2025	December 29, 2024
Contract assets	\$ 51,779	\$ 26,066
Contract liabilities current and noncurrent	21,949	10,921

The Company typically invoices its customers upon completion of set milestones, generally upon installation of the solar energy system with the remaining balance invoiced upon passing final building inspection. Standard payment terms to customers range from 30 to 60 days. When the Company receives payment, or when such payment is unconditionally due from a customer prior to delivering goods or services to the customer under the terms of a customer agreement, the Company records this deferred revenue as a contract liability. As installation projects are typically completed within 12-months, the Company's contract liability is reflected within current liabilities in the accompanying consolidated balance sheets.

***(e) Revenue recognition***

Revenue is recognized for Residential Solar Installation and New Homes Business when a customer obtains control of promised products and services and the Company has satisfied its performance obligations which is the date by which substantially all of its design and installation is complete for a fully functioning solar power system to interconnect to the local power grid.

Installation includes the design of a solar energy system, the delivery of the components of the solar energy system (i.e., photovoltaic system, inverter, battery storage, etc.), installation services and services facilitating the connection of the solar energy system to the power grid. The Company accounts for these services as inputs to a combined output, resulting in a single service-based performance obligation.

The amount of revenue recognized reflects the consideration which the Company expects to be entitled to receive in exchange for the products and services. To achieve this core principle, the Company applies the following five steps:

- Step 1. Identification of the contract(s) with a customer;
- Step 2. Identification of the performance obligations in the contracts(s);
- Step 3. Determination of the transaction price;
- Step 4. Allocation of the transaction price to the performance obligations;
- Step 5. Recognition of the revenue when, or as, the Company satisfies a performance obligation.

***Residential Solar Installation revenues***

The Company's Residential Solar Installation segment sells products through a network of installing and non-installing dealers and resellers, as well as its internal sales team. The Company's contracts with customers include three primary contract types:

- *Cash agreements* – The Company contracts directly with homeowners who purchase the solar energy system and related services from the Company. Customers are invoiced on a billing schedule, where the majority of the transaction price is due upon installation with an additional payment due when the system passes inspection by the authority having jurisdiction.
- *Financing partner agreements* – In its financing partner agreements, the Company contracts directly with homeowners for the purchase of the solar energy system and related services. The Company refers the homeowner to a financing partner to finance the system, and the homeowner makes payments directly to the financing partner. The Company receives consideration from the financing partner on a billing schedule where the majority of the transaction price is due upon installation with an additional payment due when the system passes inspection by the authority having jurisdiction.
- *Power purchase agreements and lease agreements* – The Company contracts directly with a leasing partner to perform the solar energy system installation, and the homeowner will finance the system through a power purchase agreement (or lease), which is signed with the Company's leasing partner. The Company considers the leasing partner to be its customer, as the Company does not contract directly with the homeowner and the leasing partner takes ownership of the system upon the completion of installation. The Company receives consideration from the leasing partner on a billing schedule where the majority of the transaction price is due upon installation with an additional payment due when the system passes inspection by the authority having jurisdiction.

The Company's New Homes Business segment sells through a network of home builders as well as its internal sales team. The Company's contracts with customers include two primary contract types:

- *Cash agreements* – The Company contracts directly with homebuilders who purchase the solar energy system from the Company and are the customers in the transaction. The Company's customers are invoiced upon the completion of installation.
- *Lease agreements* – Prior to SunPower Corporation's declaration of bankruptcy, certain homeowners had intended to lease a system from the SunPower Corporation but were unable to consummate the transaction (as a result of SunPower's declaration of bankruptcy). The in-process system inventory (installed on recently constructed homes) was acquired by the Company in connection with the SunPower Acquisition. The Company contracted directly with a leasing partner to facilitate the leasing of the system to the impacted homeowners. The Company considers the leasing partner to be its customer. Under the terms of the Company's arrangement with the leasing partner, control is not transferred to the customer until the completed system is accepted by the customer. The Company receives consideration from the leasing partner following the acceptance of the system.

The Company's performance obligation for both of these reportable segments is to design and install a fully functioning solar energy system. For all contract types (with the exception of New Homes Business Lease agreements), the Company recognizes revenue over time. The Company's over-time revenue recognition begins when the solar power system is fully installed (as it is at this point that control of the asset begins to be transferred to the customer, and the customer retains the significant risks and rewards of ownership of the solar power system). The Company recognizes revenue using the input method based on direct costs to install the system and defers the costs of installation until such time that control of the asset transfers to the customer (installation). For New Homes Business Lease agreements, the Company considers the performance obligation to be satisfied at a point in time upon acceptance of the system by the customer.

Revenue is generally recognized at the transaction price contained within the agreement, net of costs of financing, or other consideration paid to the customers that is not in exchange for a distinct good or service. The Company's arrangements may contain clauses that can either increase or decrease the transaction price. 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.

The Company records deferred revenue for amounts invoiced that are received in advance of the provisioning of services. In certain contracts with customers, the Company arranges for a third-party financing partner to provide financing to the customer. The Company collects upfront from the financing partner and the customer will provide instalment payments to the financing partner. The Company records revenue in the amount received from the financing partner, net of any financing fees charged to the homeowner, which the Company considers to be a customer incentive. None of the Company's contracts contain a significant financing component.

*Costs to obtain and fulfill contracts*

The Company's costs to obtain and fulfill contracts, when recognized, associated with systems sales are expensed as sales commission and cost of revenue, respectively. In addition, incentives the Company provides to its customers, such as discounts and rebates, are recorded net to the revenue the Company has recognized on the solar power system.

## Disaggregation of revenue

Refer to the table below for the Company's revenue recognized (*in thousands*):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Residential Solar Installation				
Revenue recognized over time	\$ 37,396	\$ 4,492	\$ 75,518	\$ 14,532
Revenue recognized at a point in time	—	—	—	—
Total Residential Solar Installation	37,396	4,492	75,518	14,532
New Homes Business				
Revenue recognized over time	10,218	—	30,632	—
Revenue recognized at a point in time	19,910	—	44,114	—
Total New Homes Business	30,128	—	74,746	—
Total revenue	\$ 67,524	\$ 4,492	\$ 150,264	\$ 14,532

All revenue was generated in the United States.

## Remaining performance obligations

The Company elected the practical expedient not to disclose the remaining performance obligations for contracts that are less than one year in length.

## Incremental costs of obtaining customer contracts

Incremental costs of obtaining customer contracts consist of sales commissions, which are costs paid to third-party vendors who source residential customer contracts for the sale of solar energy systems by the Company. The Company defers sales commissions and recognizes expenses in accordance with the timing of the related revenue recognition. Amortization of deferred commissions is recorded as sales commissions in the accompanying unaudited condensed consolidated statements of operations and comprehensive loss. As of June 29, 2025, and December 29, 2024, deferred commissions were not material.

## (f) 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 will adopt this ASU in its annual report for the fiscal year ending December 28, 2025. The Company is assessing the impact of adopting this guidance on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires the disaggregation of certain expenses in the notes of the financial statements to provide enhanced transparency into the expense captions presented on the face of the income statement. The FASB subsequently issued ASU 2025-01 "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date", which amends the effective date of ASU 2024-03 to clarify that all public business entities are required to adopt the guidance in ASU 2024-03 in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption of ASU 2024-03 is permitted. The Company is assessing the impact of adopting this guidance on its consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-04, Debt-Debt with Conversion and Other Options (Subtopic 470-20) ("ASU 2024-04"). The guidance in ASU 2024-04 clarifies the requirements related to accounting for the settlement of a debt instrument as an induced conversion. The standard is effective for fiscal years beginning after December 15, 2025, and interim periods within fiscal years beginning after December 15, 2025, with early adoption permitted as of the beginning of a reporting period if the entity has also adopted ASU 2020-06 for that period. The Company is currently evaluating the impact that the adoption of ASU 2024-04 may have on its disclosures in its consolidated financial statements.

In March 2024, the FASB issued ASU 2024-02 "Codification Improvements-Amendments to Remove References to the Concepts Statements", which removes various references to concepts statements from the FASB Accounting Standards Codification. This ASU is effective for the Company beginning in the first quarter of fiscal year 2026, with early adoption permitted. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements and intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2026.

***(g) Correction of an immaterial error***

During the preparation of the financial statements for the quarter ended June 29, 2025, the Company identified an immaterial classification error in its previously issued financial statements for the thirteen week period ended March 30, 2025. Specifically, due to a misclassification of certain payroll expenses, the Company understated Cost of revenue and overstated Gross profit by \$7.6 million and understated Sales and marketing by \$1.6 million and overstated General and administrative expenses by the aggregate of these amounts. The correction had no impact on net income (loss), earnings per share, total assets, total liabilities, or accumulated deficit for any period presented.

***(h) Changes in related parties***

During the thirteen week period ended June 29, 2025, CRSEF Solis Holdings, LLC and its affiliates (“Carlyle”), a related party, ceased to be a significant shareholder in the Company. Transactions previously reported with Carlyle have been disclosed as related party transactions. Following the change in the current quarter, beginning in the thirteen week period ended June 29, 2025, transactions with Carlyle are no longer disclosed as related party transactions.

During the thirteen week period ended June 29, 2025, the Company concluded that Polar Multi-Strategy Master Fund (“Polar”) ceased to be a related party. Transactions previously reported with Polar have been disclosed as related party transactions. Following the change in the current quarter, beginning in the thirteen week period ended June 29, 2025, transactions with Polar are no longer disclosed as related party transactions.

**(3) Business Combination**

***SunPower acquisition***

On September 30, 2024, commencing the Company’s fourth quarter of fiscal 2024, the Company completed the acquisition of certain assets and assumption of certain liabilities of SunPower for an aggregate cash consideration paid of \$54.5 million, net of \$1.0 million of cash acquired. 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. The financial results of the SunPower acquisition have been included in the Company’s unaudited condensed consolidated financial statements since the date of SunPower acquisition. This transaction was accounted for as a business combination in accordance with ASC 805, Business Combinations.

Transaction costs incurred in connection with the close of the SunPower acquisition totaled \$7.2 million and were expensed by the Company and included in general and administrative expenses within the fourth quarter of the Company's fiscal year ended December 29, 2024.

The fair values of assets acquired and liabilities assumed were based upon a preliminary valuation, and the Company's estimates and assumptions are subject to change within the measurement period. Due to the complexities of acquiring assets out of bankruptcy the purchase accounting remains open for certain assets acquired and liabilities assumed. As of June 29, 2025, the Company identified a remeasurement of the fair value of acquired inventory resulting in a downward revision to the inventory with the offsetting adjustment to goodwill. Further adjustments to the Company's inventory are anticipated within the 36 week period ending September 28, 2025, as the Company finalizes its provisional accounting for the business combination. The primary areas that remain provisional in addition to the measurement of the inventory acquired include the fair value of intangible assets and goodwill. The following table summarizes the provisional fair value of identifiable assets acquired and liabilities assumed (*in thousands*):

	<u>Provisional fair values</u>	<u>Measurement period adjustment</u>	<u>Provisional fair values as of June 29, 2025</u>
<b>Net assets acquired:</b>			
Cash	\$ 1,000	\$ —	\$ 1,000
Accounts receivable	11,999	—	11,999
Contract assets	4,615	—	4,615
Inventories	27,706	(1,349)	26,357
Prepaid expenses and other current assets	2,219	—	2,219
Property and equipment	5,867	—	5,867
Operating lease right-of-use assets	2,506	—	2,506
Other noncurrent assets	541	—	541
Intangibles	18,100	—	18,100
Deferred revenue	(7,361)	—	(7,361)
Accounts payable	(5,270)	—	(5,270)
Accrued expenses and other current liabilities	(13,955)	—	(13,955)
Operating lease liabilities	(2,963)	—	(2,963)
Other long-term liabilities	(8,980)	—	(8,980)
Fair value of net tangible assets acquired	<u>36,024</u>	<u>(1,349)</u>	<u>34,675</u>
Goodwill recognized	18,476	1,349	19,825
Consideration transferred	<u>\$ 54,500</u>	<u>\$ —</u>	<u>\$ 54,500</u>

#### (4) Fair Value Measurements

The following table sets forth the Company's financial assets and liabilities that are measured at fair value, on a recurring basis (*in thousands*):

	<u>As of June 29, 2025</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial Assets</b>				
Restricted cash	\$ 3,841	\$ —	\$ —	\$ 3,841
Total	<u>\$ 3,841</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,841</u>
<b>Financial Liabilities</b>				
July 2024 Notes derivative liability	\$ —	\$ —	\$ 21,022	\$ 21,022
July 2024 Notes derivative liability – related parties	—	—	13,527	13,527
September 2024 derivative liability	—	—	53,008	53,008
September 2024 derivative liability - related parties	—	—	5,890	5,890
Forward purchase agreement liabilities <sup>(1)</sup>	—	—	1,882	1,882
Public warrants	—	—	2,544	2,544
Private placement warrants	—	—	1,849	1,849
Working capital warrants	—	—	211	211
SAFE Agreement with related party	—	—	418	418
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 100,351</u>	<u>\$ 100,351</u>

	As of December 29, 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Restricted cash	\$ 3,841	\$ —	\$ —	\$ 3,841
Total	\$ 3,841	\$ —	\$ —	\$ 3,841
<b>Financial Liabilities</b>				
July 2024 Notes derivative liability	\$ —	\$ —	\$ 13,563	\$ 13,563
July 2024 Notes derivative liability – related parties	—	—	21,127	21,127
September 2024 Notes derivative liability	—	—	55,474	55,474
September 2024 Notes derivative liability – related parties	—	—	6,958	6,958
Forward purchase agreement liabilities <sup>(1)</sup>	—	—	3,494	3,494
Public warrants	—	—	862	862
Private placement warrants	—	—	627	627
Working capital warrants	—	—	72	72
SAFE Agreement with related party	—	—	384	384
Total	\$ —	\$ —	\$ 102,561	\$ 102,561

(1) Includes zero and \$1.3 million due to related parties as of June 29, 2025, and December 29, 2024, respectively.

Subsequent to issuance, changes in the fair value of the derivative liabilities, liability classified warrants, forward purchase agreements and SAFEs are recorded within Other (expense) income, net in the Company's unaudited condensed consolidated statements of operations and comprehensive loss.

#### *Derivative liabilities*

The Company issued derivative liabilities in conjunction with the issuance of certain convertible notes in July 2024 and September 2024 (refer to Note 9 – Borrowings and Derivative Liabilities). The Company valued the derivative liabilities as of June 29, 2025, and December 29, 2024 using a binomial lattice model, which includes Level 3 unobservable inputs. The key inputs used were dividend yield, the Company's common stock price, volatility, risk-free rate and the expected term of the derivative liabilities.

The July 2024 Notes derivative liability valuation included the following inputs:

	As of	
	June 29, 2025	December 29, 2024
Coupon rate	12.0%	12.0%
Conversion rate	595.24	595.24
Conversion price	\$ 1.68	\$ 1.68
Common stock price	\$ 1.54	\$ 1.81
Dividend yield	0.0%	0.0%

The September 2024 Notes derivative liability valuation included the following inputs:

	As of	
	June 29, 2025	December 29, 2024
Coupon rate	7.0%	7.0%
Conversion rate	467.84	467.84
Conversion price	\$ 2.14	\$ 2.14
Common stock price	\$ 1.54	\$ 1.81
Dividend yield	0.0%	0.0%

### *Public warrants*

The public warrants are measured at fair value on a recurring basis. The public warrants were valued based on the closing price of the publicly traded instrument.

### *Private placement and working capital warrants*

The private placement and working capital warrants are measured at fair value. The Company valued the private placement and working capital warrants, based on a Black-Scholes Option Pricing Method, which included the following inputs:

	As of	
	June 29, 2025	December 29, 2024
Expected term	3.06 years	3.56 years
Expected volatility	160.4%	68.1%
Risk-free rate	3.72%	4.39%
Expected dividend yield	0.00%	0.00%

### *Forward purchase agreement liabilities*

FPA's are measured at fair value on a recurring basis using a Monte Carlo simulation analysis. The expected volatility is determined based on the historical equity volatility of comparable companies over a period that matches the simulation period, which included the following inputs:

	As of	
	June 29, 2025	December 29, 2024
VWAP	\$ 1.72	\$ 1.78
Simulation period	0.05 years	0.55 years
Risk-free rate	4.19%	4.28%
Volatility	50.9%	117%

### *SAFE agreement with related party*

The SAFE Agreement was valued based on a conversion probability of 50% based on historical SAFE agreements and a 50% discount rate at the time of conversion as of June 29, 2025, and December 29, 2024.

Financial liabilities not measured at fair value on a recurring basis:

The following table sets forth the Company's financial liabilities that were not measured at fair value, on a non-recurring basis (in thousands):

	As of June 29, 2025					
	Carrying value	Fair value				Total
		Estimated fair value	Level 1	Level 2	Level 3	
<b>Financial Liabilities</b>						
July 2024 Notes	\$ 36,504	\$ 35,001	\$ —	\$ —	\$ 35,001	\$ 35,001
July 2024 Notes - related parties	7,734	22,567	—	—	22,567	22,567
September 2024 Notes	12,382	76,836	—	—	76,836	76,836
September 2024 Notes - related parties	1,292	8,537	—	—	8,537	8,537
<b>Total</b>	<b>\$ 57,912</b>	<b>\$ 142,941</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 142,941</b>	<b>\$ 142,941</b>

  

	As of December 29, 2024					
	Carrying value	Fair value				Total
		Estimated fair value	Level 1	Level 2	Level 3	
<b>Financial Liabilities</b>						
July 2024 Notes	\$ 17,965	\$ 21,390	\$ —	\$ —	\$ 21,390	\$ 21,390
July 2024 Notes - related parties	24,632	33,323	—	—	33,323	33,323
September 2024 Notes	5,636	77,245	—	—	77,245	77,245
September 2024 Notes - related parties	476	8,583	—	—	8,583	8,583
<b>Total</b>	<b>\$ 48,709</b>	<b>\$ 140,541</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 140,541</b>	<b>\$ 140,541</b>

As of June 29, 2025, and December 29, 2024, the July 2024 Notes and the September 2024 Notes were fair valued using a binomial lattice model, which includes Level 3, unobservable inputs. The key inputs used are consistent with those used to fair value the derivative liabilities as discussed under Derivative Liabilities above.

#### (5) Other Intangible Assets

The Company's other intangible assets were acquired in connection with the SunPower Acquisition on September 30, 2024. The following table represents the Company's other intangible assets with finite useful lives as of June 29, 2025, and December 29, 2024 (in thousands):

As of June 29, 2025	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Trademark – Blue Raven Solar	\$ 8,400	\$ (630)	\$ 7,770
Trademark – SunPower	5,200	(390)	4,810
Developed technology	4,500	(1,125)	3,375
<b>Total</b>	<b>\$ 18,100</b>	<b>\$ (2,145)</b>	<b>\$ 15,955</b>

  

As of December 29, 2024	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Trademark – Blue Raven Solar	\$ 8,400	\$ (210)	\$ 8,190
Trademark – SunPower	5,200	(130)	5,070
Developed technology	4,500	(375)	4,125
<b>Total</b>	<b>\$ 18,100</b>	<b>\$ (715)</b>	<b>\$ 17,385</b>

Aggregate amortization expense of intangible assets was \$0.7 million \$1.4 million for the thirteen and twenty-six week periods ended June 29, 2025, respectively. Amortization expense was zero in each of the thirteen and twenty-six week periods ended June 30, 2024. Amortization expense is recognized within general and administrative expenses in the accompany unaudited condensed consolidated statements of operations and comprehensive loss.

## (6) Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	As of	
	June 29, 2025	December 29, 2024
Accrued compensation and benefits	\$ 4,631	\$ 6,619
Professional fees	4,717	8,028
Installation costs	4,056	6,177
Accrued legal settlements	8,053	7,700
Accrued taxes	769	769
Accrued rebates and credits	5,392	7,641
Operating lease liabilities, current	1,389	1,412
Finance lease liabilities, current	2,069	2,053
Accrued warranty, current	4,600	2,531
Deferred financing fees	4,674	4,674
Accrued interest <sup>(1)</sup>	8,915	4,523
Deposit – related party <sup>(2)</sup>	5,000	—
Other accrued liabilities	4,489	3,954
Total accrued expenses and other current liabilities	<u>\$ 58,754</u>	<u>\$ 56,081</u>

(1) Includes related party accrued interest of \$2.9 million and \$2.2 million as of June 29, 2025 and December 29, 2024, respectively.

(2) The Company received \$5.0 million from the Rodgers Massey Revocable Living Trust (“Rodgers Revocable Trust”) in the period ended June 29, 2025. Refer to Note 17 – Subsequent Events for details.

## (7) Other (Expense) Income, Net

Other (expense) income, net consists of the following (in thousands):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Change in fair value of derivative liabilities <sup>(1)</sup>	\$ (11,452)	\$ —	\$ 3,675	\$ —
Change in fair value of forward purchase agreement liabilities <sup>(2)</sup>	1,344	2,756	1,613	(2,822)
Change in fair value of SAFE Agreement with related party	(14)	—	(34)	—
Change in fair value of FACT public, private placement and working capital warrants	(1,952)	246	(3,044)	(243)
Change in fair value of Carlyle Warrants with related party	—	(3,560)	—	2,869
Change in fair value of redeemable convertible preferred stock warrant liability	—	5	—	1,310
Loss on conversion of SAFE Agreements to common stock with related party	—	(1,250)	—	(1,250)
Other, net <sup>(3)</sup>	30	(266)	322	(414)
Total Other (Expense) Income, net	<u>\$ (12,044)</u>	<u>\$ (2,069)</u>	<u>\$ 2,532</u>	<u>\$ (550)</u>

(1) Includes a loss of \$1.6 million and a gain of \$2.1 million due to the change in the fair value of derivative liabilities with related parties in the thirteen and twenty-six week periods ended June 29, 2025, respectively. Refer to Note 9 – Borrowings and Derivative Liabilities for details.

(2) Includes gain of zero and \$0.1 million due to related parties for the thirteen and twenty-six week periods ended June 29, 2025, respectively. Includes gain of \$1.0 million and loss of \$1.0 million due to related parties for the thirteen and twenty-six week periods ended June 30, 2024, respectively.

(3) Includes zero and \$0.1 million of income due to related parties in the thirteen and twenty-six week periods ended June 29, 2025, respectively.

## (8) Capital Stock

The Company has authorized the issuance of 1,000,000,000 shares of common stock and 10,000,000 shares of preferred stock as of June 29, 2025. No preferred stock has been issued and none are outstanding as of June 29, 2025.

### *Common stock purchase agreement*

On July 16, 2024, the Company entered into a common stock purchase agreement with White Lion Capital, LLC (“White Lion”), as amended on July 24, 2024 (“White Lion SPA”), and a related registration rights agreement for an equity line of credit financing facility. Pursuant to the White Lion SPA, the Company has the right, but not the obligation, to require White Lion to purchase, from time to time, up to \$30 million in aggregate gross purchase price of newly issued shares of the Company’s common stock, subject to the caps and certain limitations and conditions set forth in the White Lion SPA, including terms that restrict the ability of the Company to issue shares of common stock to White Lion that would result in White Lion beneficially owning more than 9.99% of the Company’s outstanding common stock.

On August 14, 2024, the Company entered into Amendment No. 2 to the White Lion SPA (collectively with the White Lion SPA “White Lion Amended SPA”). The White Lion Amended SPA provides that the Company may notify White Lion to exercise the Company’s right to sell shares of its common stock by delivering an Hour Rapid Purchase Notice. If the Company delivers an Hour Rapid Purchase Notice, the Company shall deliver to White Lion shares of common stock not to exceed the lesser of (i) five percent of the Average Daily Trading Volume on the date of an Hour Rapid Purchase Notice and (ii) 100,000 shares of common stock. The closing of the transactions under an Hour Rapid Purchase Notice will occur one Business Day following the date on which the Hour Rapid Purchase Notice is delivered. At such closing, White Lion will pay the Company the Hour Rapid Purchase Investment Amount equal to the number of shares of common stock subject to the applicable Hour Rapid Purchase Notice multiplied by the lowest traded price of the Company’s common stock during the one-hour period following White Lion’s consent to the acceptance of the applicable Hour Rapid Purchase Notice. Under the White Lion Amended SPA, the Company did not issue any shares of common stock in the periods ended June 29, 2025, and June 30, 2024.

The Company has reserved shares of common stock for issuance related to the following:

	As of	
	June 29, 2025	December 29, 2024
Common stock warrants	25,670,265	31,670,265
Employee stock purchase plan	2,628,996	2,628,996
Stock options and RSUs, issued and outstanding	24,741,831	11,979,368
Stock options and RSUs, authorized for future issuance	17,881,435	2,577,895
SAFE Agreement	2,750,000	2,750,000
Forward purchase agreements	6,720,000	6,720,000
Convertible notes	58,579,636	58,579,636
Total shares reserved	<u>138,972,163</u>	<u>116,906,160</u>

## Warrants

The potential number of shares of the Company's common stock for outstanding warrants were as follows:

	Potential shares of common stock as of		Exercise price per share	Expiration date
	June 29, 2025	December 29, 2024		
<b>Liability classified warrants</b>				
Public Warrants	6,266,667	6,266,667	\$ 11.50	July 18, 2028 <sup>(1)</sup>
Private Placement Warrants	8,625,000	8,625,000	11.50	July 18, 2028 <sup>(1)</sup>
Working Capital Warrants	716,668	716,668	11.50	July 18, 2028 <sup>(1)</sup>
Total shares of common stock – liability classified warrants	15,608,335	15,608,335		
<b>Equity classified warrants</b>				
Series B Warrants (converted to common stock warrants)	5,054	5,054	\$ 4.30	February 2026
Series C Warrants (converted to common stock warrants)	482,969	482,969	1.00	July 2026
Series C-1 Warrants (converted to common stock warrants)	173,067	173,067	0.01	January 2030
SVB Common Stock Warrants	2,473	2,473	0.38	2033
SVB Common Stock Warrants	2,525	2,525	0.62	2033
Promissory Note Common Stock Warrants	24,148	24,148	0.01	October 2031
July 2023 Common Stock Warrants	38,981	38,981	0.01	July 2028
Common Stock Warrants Issued in 2023 (“Merger Warrants”)	6,266,572	6,266,572	11.50	July 18, 2033
Ayna Warrant	—	6,000,000	0.01	June 2029
Cantor Warrant	3,066,141	3,066,141	1.68	June 2029
Total shares of common stock – equity classified warrants	10,061,930	16,061,930		
Total potential shares of common stock	25,670,265	31,670,265		

(1) The warrants expire five years after the Closing date of the Mergers, which date was July 18, 2023, or earlier upon redemption or liquidation.

### Ayna warrant

On June 17, 2024, a warrant to purchase shares of the Company's common stock (“Ayna Warrant”) was issued to Ayna.AI LLC (“Ayna”) for the purchase of 6,000,000 shares of the Company's common stock at an exercise price per share of \$0.01, subject to the provisions and upon the terms and conditions set forth in the Ayna Warrant. At issuance, the fair value of the Ayna Warrant was determined to be \$9.2 million, based on the intrinsic value of the Ayna Warrant and the \$0.01 per share exercise price. The Ayna Warrant was set to expire on June 17, 2029. The issuance of the Ayna Warrant by the Company to Ayna was in satisfaction of the compensation for services provided to the Company by Ayna under the terms of a statement of work (“Ayna SOW”), signed May 21, 2024 (and effective as of March 12, 2024), as incorporated into a master services agreement dated March 12, 2024. Under the Ayna SOW, Ayna provided services in connection with the anticipated return of the Company to cash-flow positive performance.

The Ayna Warrant was accounted for under ASC 718 as it met the conditions for equity classification and therefore, the Ayna Warrant was not subsequently remeasured in future periods. The Company recognized the full amount of the fair value of \$9.2 million as an expense between the date of issue and December 29, 2024.

The Ayna Warrant became fully exercisable for the 6,000,000 shares of the Company's common stock on September 9, 2024. The Ayna Warrant was exercised in full for cash of \$0.06 million in January 2025.

### Cantor warrant

In July 2024, the Company issued a warrant (“Cantor Warrant”) to a third-party service provider to purchase 3,066,141 shares of the Company’s common stock in exchange for services provided in the issuance of the July 2024 Notes (refer to Note 9 – Borrowings and Derivative Liabilities). The Cantor Warrant was immediately exercisable at a price of \$1.68 per share and has an expiration date in July 2029. At issuance, the fair value of the Cantor Warrant was determined to be \$1.4 million, of which \$0.9 million was recorded as a debt discount and \$0.5 million was attributable to the convertible notes issued in the Exchange Agreement (as defined in Note 9 – Borrowings and Derivative Liabilities) and reduced the gain on the troubled debt restructuring recognized in its annual consolidated statement of operations and comprehensive loss for fiscal 2024 as described in Note 9 – Borrowings and Derivative Liabilities. The fair value of this warrant was derived using the Black-Scholes model with the following assumptions: expected volatility of 55%; risk-free interest rate of 4.2%; expected term of 5 years; and no dividend yield. The fair value of this warrant was recorded within additional paid-in capital on the Company’s unaudited condensed consolidated balance sheets and has not been subsequently remeasured in future periods as it met the conditions for equity classification.

### Carlyle warrant

In February 2022, as part of a debt financing arrangement with Carlyle, the Company issued Carlyle a warrant to purchase 2,886,952 shares of Legacy Complete Solaria Common Stock at a price per share of \$0.01. The warrant contained two tranches, the first of which was immediately exercisable for 1,995,879 shares of common stock. The second tranche expired on December 31, 2022, prior to becoming exercisable. In December 2023, Carlyle was issued a warrant to purchase an additional 2,190,604 shares of the Company’s common stock related to an anti-dilution provision under the then-existing debt arrangement with Carlyle.

In July 2023, and in connection with the closing of the Mergers, the Company entered into the Carlyle Warrant Amendment (as defined in Note 9 – Borrowings and Derivative Liabilities). Based on the exchange ratio included in the Mergers, the 1,995,879 outstanding warrants to purchase Legacy Complete Solaria Common Stock prior to modification were exchanged into warrants to purchase 1,995,879 shares of Complete Solaria Common Stock. The Carlyle Warrant Amendment required the Company to issue to Carlyle a warrant to purchase up to 2,745,879 shares of Complete Solaria Common Stock at a price per share of \$0.01, which was inclusive of the outstanding warrant to purchase 1,995,879 shares at the time of modification. The warrant, which expires on July 18, 2030, provided Carlyle with the right to purchase shares of Complete Solaria Common Stock based on (a) the greater of (i) 1,995,879 shares and (ii) the number of shares equal to 2.795% of Complete Solaria’s issued and outstanding shares of common stock, on a fully-diluted basis; plus (b) on and after the date that was ten (10) days after the date of the agreement, an additional 350,000 shares; plus (c) on and after the date that was thirty (30) days after the date of the agreement, if the original investment amount had not been repaid, an additional 150,000 shares; plus (d) on and after the date that was ninety (90) days after the date of the agreement, if the original investment amount had not been repaid, an additional 250,000 shares, in each case, of Complete Solaria Common Stock at a price of \$0.01 per share. The modification of the warrant resulted in the reclassification of previously equity-classified warrants to liability classification, which was accounted for in accordance with ASC 815 and ASC 718, *Compensation – Stock Compensation*.

Changes in the fair value of the Carlyle Warrant were recorded within Other (expense) income, net in the accompanying condensed consolidated statements of operations and comprehensive loss. The change in the fair value of the Carlyle Warrant resulted in expense of \$3.6 million and income of \$2.9 million in the thirteen and twenty-six week periods ended June 29, 2024, respectively.

As of June 30, 2024, the Carlyle Warrant had a fair value of \$6.6 million. On July 1, 2024, in connection with the Exchange Agreement, the Carlyle Warrant was modified, and the modification fixed the number of shares of the Company’s common stock that may be issued upon exercise of the Carlyle Warrant at 4,936,483. At the July 1, 2024, modification date, the Carlyle Warrant had a fair value of \$7.3 million, and the Company recognized \$0.7 million of expense related to the remeasurement of the liability which was classified within “Gain on Troubled Debt Restructuring” within the Company’s consolidated statement of operations and comprehensive loss in its fiscal 2024 consolidated results. The modification of the Carlyle Warrant also resulted in the reclassification of the Carlyle Warrant from liability to equity classification, resulting in an increase to additional paid-in capital of \$7.3 million and a reduction in the warrant liability of \$7.3 million.

Carlyle exercised the warrant for shares of the Company’s common stock in the fourth quarter of fiscal 2024.

## (9) Borrowings and Derivative Liabilities

The Company's borrowings and derivative liabilities consisted of the following (*in thousands*):

	As of	
	June 29, 2025	December 29, 2024
July 2024 Notes	\$ 36,504	\$ 17,965
July 2024 Notes derivative liability	21,022	13,563
July 2024 Notes – related parties	7,734	24,632
July 2024 derivative liability – related parties	13,527	21,127
September 2024 Notes	12,382	5,636
September 2024 Notes derivative liability	53,008	55,474
September 2024 Notes – related party	1,292	476
September 2024 Notes – derivative liability – related party	5,890	6,958
Loan with related party	1,500	1,500
Total Notes payable	152,859	147,331
Less current portion	(1,500)	(1,500)
Notes payable and convertible notes, net of current portion	\$ 151,359	\$ 145,831
As classified in unaudited condensed consolidated balance sheets		
Current portion of notes payable with related party	\$ 1,500	\$ 1,500
Notes payable and derivative liabilities	122,916	92,638
Notes payable and derivative liabilities with related parties, net of current portion	28,443	53,193
Total Notes payable	\$ 152,859	\$ 147,331

### 12% senior unsecured convertible notes

In July 2024, the Company issued \$46.0 million of senior unsecured convertible notes ("July 2024 Notes") to various lenders. Of the July 2024 Notes, \$10.0 million were issued to a third party, \$18.0 million were issued to a related party affiliated with the Company's Chief Executive Officer and a director, Rodgers Revocable Trust, and \$18.0 million were issued in exchange for the cancellation of indebtedness as discussed below of which \$10.0 million were issued to Carlyle which was also deemed to be a related party at the date of the exchange. During the thirteen week period ended June 29, 2025, Carlyle was no longer deemed a related party with the Company. Refer to Note 2 (h) – Summary of Significant Accounting Policies – "Changes in related parties" for details. The July 2024 Notes bear interest at 12% per annum, and the principal is payable in full at maturity on July 1, 2029. The interest is payable in cash on January 1 and July 1 of each year, beginning on July 1, 2025. The interest rate increases by 3% in the event of default. The July 2024 Notes are convertible into shares of the Company's common stock at the option of the holder at a conversion rate of \$1.68 per share. Holders of the July 2024 Notes may convert at any time. The July 2024 Notes may be declared due and payable at the option of the holder upon an event of default and upon a qualifying change of control event. The conversion option was required to be bifurcated as a derivative liability, and the Company recorded an initial derivative liability of \$28.7 million on the issuance date with a corresponding debt discount.

In connection with the issuance of the July 2024 Notes, the Company issued the Cantor Warrant, as described in Note 8 – Capital Stock, to purchase shares of the Company's common stock. At issuance, the Cantor Warrant had a fair value of \$1.4 million, of which \$0.9 million was recorded as a debt discount, and \$0.5 million was included in the calculation of the Company's gain on the troubled debt restructuring as further described below in the *Exchange Agreement*. The effective interest rate is 33.4% and 31.7% on the July 2024 Notes' principal amounts of \$28.0 million and \$18.0 million, respectively.

There are no financial covenants. The July 2024 Notes are not in default. However, due to the Company's delayed filing of its Form 10-K for the year ended December 29, 2024, the Company was required to accrue incremental interest of 0.5% beginning April 16, 2025 through April 30, 2025, the date upon which the Form 10-K was filed.

The carrying amount of the convertible July 2024 Notes, inclusive of the fair value of the derivative liabilities was as follows *(in thousands)*:

	<b>As of</b>	
	<b>June 29, 2025</b>	<b>December 29, 2024</b>
July 2024 Notes	\$ 70,033	\$ 70,348
July 2024 Notes derivative liability	34,549	34,690
Less Unamortized debt discount	(25,795)	(27,751)
Total carrying amount of July 2024 Notes	<u>\$ 78,787</u>	<u>\$ 77,287</u>

Contingent interest payable upon default and included in the July 2024 Notes was as follows *(in thousands)*:

	<b>As of</b>	
	<b>June 29, 2025</b>	<b>December 29, 2024</b>
Contingent interest payable	\$ 2,516	\$ 1,255
Contingent interest payable – related parties	—	1,575
Total contingent interest payable	<u>\$ 2,516</u>	<u>\$ 2,830</u>

Interest expense and amortization of debt discount cost were as follows *(in thousands)*:

	<b>Thirteen Weeks Ended</b>		<b>Twenty-Six Weeks Ended</b>	
	<b>June 29, 2025</b>	<b>June 30, 2024</b>	<b>June 29, 2025</b>	<b>June 30, 2024</b>
Interest expense	\$ 1,395	\$ —	\$ 2,774	\$ —
Amortization of debt discount	1,009	—	1,956	—
Total	<u>\$ 2,404</u>	<u>\$ —</u>	<u>\$ 4,730</u>	<u>\$ —</u>
Related parties' portion of interest expense and amortization of debt discount included in the above amounts				
Interest expense – related parties	\$ 544	\$ —	\$ 1,381	\$ —
Amortization of debt discount – related parties	395	—	970	—
Total – related parties	<u>\$ 939</u>	<u>\$ —</u>	<u>\$ 2,351</u>	<u>\$ —</u>

7% senior unsecured convertible notes

In September 2024, the Company issued \$66.8 million of senior unsecured convertible notes to various lenders (the “September 2024 Notes”), \$4.0 million of which were issued to Rodgers Family Freedom and Free Markets Charitable Trust (“Massey Charitable Trust”), a related party and \$4.0 million were issued to Rodgers Revocable Trust (collectively with Massey Charitable Trust, “Massey Trusts”), also a related party. The September 2024 Notes bear interest at 7% per annum, and the principal is payable in full at maturity on July 1, 2029. The interest is payable in cash on January 1 and July 1 of each year, beginning on January 1, 2025. The September 2024 Notes are convertible into shares of the Company’s common stock at the option of the holder at a conversion rate of \$2.14 per common share. Holders of the September 2024 Notes may convert at any time. The September 2024 Notes may be declared due and payable at the option of the holder upon an event of default and upon a qualifying change of control event. The conversion option was required to be bifurcated as a derivative liability, and the Company recorded a derivative liability of \$91.5 million on the issuance date. As the fair value of the derivative liability exceeded the proceeds received, the Company recorded a corresponding financing loss of \$24.7 million and debt discount for \$66.8 million as of the issuance date as further described below in the *Exchange Agreement*. In December 2024, the Company issued an additional \$13.0 million of September 2024 Notes for cash. The Company recognized a \$10.9 million debt discount in connection with these additional proceeds. The Company issued an additional \$0.2 million of September 2024 Notes in the thirteen week period ended March 30, 2025. The effective interest rates are 27.6%, 47.3% and 7.0% on the September 2024 Notes’ principal amounts of \$66.8 million, \$13.0 million and \$0.2 million, respectively.

There are no financial covenants. The September 2024 Notes are not in default. However, due to the Company’s delayed filing of its Form 10-K for the year ended December 29, 2024, the Company was required to accrue incremental interest of 0.5% beginning April 16, 2025 through April 30, 2025, the date upon which the Form 10-K was filed.

The carrying amount of the convertible September 2024 Notes, inclusive of the fair value of the derivative liabilities was as follows (*in thousands*):

	<b>As of</b>	
	<b>June 29, 2025</b>	<b>December 29, 2024</b>
September 2024 Notes	\$ 80,000	\$ 79,800
September 2024 Notes derivative liability	58,898	62,432
Less Unamortized debt discount	(66,326)	(73,688)
Total carrying amount of September 2024 Notes and derivative liabilities	<u>\$ 72,572</u>	<u>\$ 68,544</u>

Interest expense and amortization of debt discount cost were as follows (*in thousands*):

	<b>Thirteen Weeks Ended</b>		<b>Twenty-Six Weeks Ended</b>	
	<b>June 29, 2025</b>	<b>June 30, 2024</b>	<b>June 29, 2025</b>	<b>June 30, 2024</b>
Interest expense	\$ 1,415	\$ —	\$ 2,820	\$ —
Amortization of debt discount	3,701	—	7,362	—
Total	<u>\$ 5,116</u>	<u>\$ —</u>	<u>\$ 10,182</u>	<u>\$ —</u>
Related parties’ portion of interest expense and amortization of debt discount included in the above amounts				
Interest expense – related parties	\$ 142	\$ —	\$ 282	\$ —
Amortization of debt discount – related parties	418	—	831	—
Total – related parties	<u>\$ 560</u>	<u>\$ —</u>	<u>\$ 1,113</u>	<u>\$ —</u>

### *Exchange agreement*

On July 1, 2024, the Company entered into an Exchange Agreement (the “Exchange Agreement”) with Carlyle, which was deemed to be a related party beginning in fiscal 2024 and ended as of March 30, 2025 as described in Note 2 (h) Summary of Significant Accounting Policies – *Changes in related parties*, and Kline Hill (as defined below) providing for:

- (i) the cancellation of all indebtedness, inclusive of the CS Solis Debt, owed to Carlyle by the Company, termination of all debt instruments by and between the Company and Carlyle (through the transfer of Carlyle’s interest in CS Solis, LLC, to the Company), and the satisfaction of all obligations owed to Carlyle by the Company under the terminated debt instruments;
- (ii) the issuance of a note for the principal amount of \$10.0 million to Carlyle as part of the July 2024 Notes;
- (iii) the cancellation of all indebtedness owed to Kline Hill Partners Fund LP, Kline Hill Partners IV SPV LLC, and Kline Hill Partners Opportunity IV SPV, LLC (collectively “Kline Hill”). by the Company, termination of all debt instruments by and between the Company and Kline Hill, including the 2018 Bridge Notes, the revolving loan and the Secured Credit Facility (defined below), and the satisfaction of all obligations owed to Kline Hill by the Company under the terminated debt instruments;
- (iv) the issuance of a note for the principal amount of \$8.0 million to Kline Hill as part of the July 2024 Notes; and
- (v) the issuance of 1,500,000 shares of common stock, par value \$0.0001 per share, of the Company (the “Common Stock”) to Kline Hill (the “Shares”).

At the date of the cancellation under the Exchange Agreement, the Company’s indebtedness to CS Solis was \$37.2 million and the indebtedness to Kline Hill was comprised of the 2018 Bridge Notes of \$11.7 million, Revolving Loan balance assigned to Kline Hill of \$3.9 million, and the Secured Credit Facility balance of \$13.1 million.

The Company concluded that the transactions entered into in the Exchange Agreement represented a troubled debt restructuring as the Company was experiencing financial difficulty, and the new terms of the July 2024 Notes resulted in a concession to the Company. As the carrying amount of the debt exceeded the future undiscounted cash payments under the new terms on the date of the exchange, the Company recorded a gain on the troubled debt restructuring of \$19.8 million in the thirteen week period ended September 29, 2024 and an additional \$2.5 million gain in the fourth quarter of fiscal 2024 for an aggregate gain of \$22.3 million in fiscal 2024.

### Debt in CS Solis

As part of the Reorganization described in Note 1(a) Organization – Description of Business, the Company received cash and recorded debt for an investment by Carlyle. The investment was made pursuant to a subscription agreement, under which Carlyle contributed \$25.6 million in exchange for 100 Class B Membership Units of CS Solis and the Company contributed the net assets of Complete Solar, Inc., in exchange for 100 Class A Membership Units. The Class B Membership Units were mandatorily redeemable by the Company on the three-year anniversary of the effective date of the CS Solis amended and restated LLC agreement (February 14, 2025). The Class B Membership Units accrued interest that was payable upon redemption at a rate of 10.5% (which was structured as a dividend payable based on 25% of the investment amount measured quarterly), compounded annually, and subject to increases in the event the Company declared any dividends. In connection with the investment by Carlyle, the Company issued to Carlyle a warrant to purchase 5,978,960 shares of the Company’s common stock at a price of \$0.01 per share, of which, the purchase of 4,132,513 shares of the Company’s common stock was immediately exercisable. The Company accounted for the mandatorily redeemable investment from Carlyle in accordance with ASC 480 and recorded the investment as a liability, which was accreted to its redemption value under the effective interest method. The Company recorded the warrants as a discount to the liability.

On July 17 and July 18, 2023, and in connection with obtaining consent for the Mergers, Legacy Complete Solaria, FACT and Carlyle entered into an Amended and Restated Consent to the Business Combination Agreement (“Carlyle Debt Modification Agreement”) and an amended and restated warrant agreement (“Carlyle Warrant Amendment”), which modified the terms of the mandatorily redeemable investment made by Carlyle in Legacy Complete Solaria. Refer to Note 8 – Capital Stock for a description of the Carlyle Warrant Amendment. The Carlyle Debt Modification Agreement accelerated the redemption date of the investment to March 31, 2024, subsequent to the modification. The acceleration of the redemption date of the investment resulted in the total redemption amount to be 1.3 times the principal at December 31, 2023. The redemption amount increased to 1.4 times the original investment as of March 31, 2024. At the date of the Exchange Agreement, the balance owed under this agreement was \$37.2 million.

For the thirteen-week period ended June 30, 2024, the Company recorded accretion of the liability as related party interest expense of \$1.3 million, and made no payments of interest expense. For the twenty-six week periods ended June 29, 2025 and June 30, 2024, the Company recorded accretion of the liability as related party interest expense of zero and \$3.9 million, respectively, and made no payments of interest expense.

#### 2018 bridge notes

The Company’s senior subordinated convertible secured notes originally issued in 2018 (“2018 Notes”) were settled as part of the Exchange Agreement.

Interest expense recognized on the 2018 Notes was zero and \$0.4 million in the thirteen week periods ended June 29, 2025 and June 30, 2024, respectively. Interest expense recognized on the 2018 Notes was zero and \$0.7 million in the twenty-six week periods ended June 29, 2025, and June 30, 2024, respectively.

#### Loan with related party

In October 2023, the Company entered into an Assignment Agreement whereby Structural Capital Investments III, LP assigned its revolving loan (“Revolving Loan”) due from the Company to Kline Hill and Rodgers Revocable Trust, a related party, for a total purchase price of \$5.0 million. The Revolving Loan had an annual interest rate equal to the greater of 7.75% or Prime plus 4.5%. In connection with the Exchange Agreement in July 2024, \$3.5 million of the Revolving Loan, plus accrued interest owed to Kline Hill, was exchanged for a portion of the July 2024 Notes. The principal balance of \$1.5 million owing to the Rodgers Revocable Trust (plus accrued interest) remained outstanding as of June 29, 2025, and December 29, 2024. There are no financial covenants.

Interest expense recognized on the Revolving Loan was less than \$0.1 million and \$0.2 million in the thirteen week periods ended June 29, 2025 and June 30, 2024, respectively. Interest expense recognized on the Revolving Loan was \$0.1 million and \$0.4 million in the twenty-six week periods ended June 29, 2025, and June 30, 2024, respectively.

Of the total interest expense recognized on the Revolving Loan, related party interest expense recognized was less than \$0.1 million in each of the thirteen week periods ended June 29, 2025 and June 30, 2024, and \$0.1 million in each of the twenty-six week periods ended June 29, 2025, and June 30, 2024.

#### Secured credit facility

The Company had a secured credit facility agreement (“Secured Credit Facility”) with Kline Hill to borrow up to 70% of the net amount of its eligible vendor purchase orders. The repayment terms under the Secured Credit Facility were (i) the borrowed amount multiplied by 1.15x if repaid within 75 days and (ii) the borrowed amount multiplied by 1.175x if repaid after 75 days. At the date of the Exchange Agreement, the balance owed under this secured credit agreement was \$13.1 million.

Interest expense recognized was zero and \$0.4 million in the thirteen week periods ended June 29, 2025, and June 30, 2024, respectively. Interest expense recognized was zero and \$1.0 million in the twenty-six week periods ended June 29, 2025 and June 30, 2024, respectively.

## (10) SAFE Agreements

### *First SAFE*

On January 31, 2024, the Company entered into a Simple Agreement for Future Equity (“SAFE”) (the “First SAFE”) with the Rodgers Massey Freedom and Free Markets Charitable Trust (the “Purchaser”), a related party, affiliated with Thurman J. Rodgers, the Company’s Chief Executive Officer and a director, in connection with the Purchaser investing \$1.5 million in the Company. The First SAFE did not accrue interest. The First SAFE was initially convertible into shares of the Company’s common stock, par value \$0.0001 per share, upon the closing of a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company would have issued and sold shares of its common stock at a fixed valuation (an “Equity Financing”), at a per share conversion price which was equal to the lower of (i) (a) \$53.54 million divided by (b) the Company’s capitalization immediately prior to such Equity Financing (such conversion price, the “SAFE Price”), and (ii) 80% of the price per share of its common stock sold in the Equity Financing. If the Company consummated a change of control prior to the termination of the First SAFE, the Purchaser would have been automatically entitled to receive a portion of the proceeds of such liquidity event equal to the greater of (i) \$1.5 million and (ii) the amount payable on the number of shares of common stock equal to (a) \$1.5 million divided by (b)(1) \$53.54 million divided by (2) the Company’s capitalization immediately prior to such liquidity event (the “Liquidity Price”), subject to certain adjustments as set forth in the First SAFE. The First SAFE was convertible into a maximum of 1,431,297 shares of the Company’s common stock, assuming a per share conversion price of \$1.05, which is the product of (i) \$1.31, the closing price per share of the Company’s common stock on January 31, 2024, multiplied by (ii) 80%.

On April 21, 2024, the Company entered into an amendment (“First SAFE Amendment”) that converted the First SAFE investment of \$1.5 million into 4,166,667 shares of the Company’s common stock based on a conversion price of \$0.36 per share, defined in the First SAFE Amendment as the product of (i) \$0.45, the closing price of the Company’s common stock on April 19, 2024, multiplied by (ii) 80%. Upon conversion, the Company recorded a debit to the First SAFE Agreement of \$1.5 million, a credit to Additional paid-in-capital of \$1.9 million and recognized expense of \$0.4 million within Other (expense) income, net in its unaudited condensed consolidated statement of operations in the thirteen and twenty-six week periods ended June 30, 2024.

### *Second SAFE*

On February 15, 2024, the Company entered into a second SAFE (the “Second SAFE”) with the Purchaser, in connection with the Purchaser investing \$3.5 million in the Company. The Second SAFE did not accrue interest. The Second SAFE was initially convertible into shares of the Company’s common stock upon the initial closing of an Equity Financing transaction at a per share conversion price which was equal to the lower of (i) the Second SAFE Price, and (ii) 80% of the price per share of the Company’s common stock sold in an Equity Financing transaction. If the Company consummated a change of control prior to the termination of the Second SAFE, the Purchaser would have been automatically entitled to receive an amount equal to the greater of (i) \$3.5 million and (ii) the amount payable on the number of shares of the Company’s common stock equal to \$3.5 million divided by the Liquidity Price, subject to certain adjustments as set forth in the Second SAFE. The Second SAFE was convertible into a maximum of 3,707,627 shares of the Company’s common stock, assuming a per share conversion price of \$0.94, which is the product of (i) \$1.18, the closing per share price of its common stock on February 15, 2024, multiplied by (ii) 80%.

On April 21, 2024, the Company entered into an amendment (“Second SAFE Amendment”) that converted the Second SAFE investment of \$3.5 million into 9,722,222 shares of the Company’s common stock based on a conversion price of \$0.36 per share, defined in the Second SAFE Amendment as the product of (i) \$0.45, the closing price of the Company’s common stock on April 19, 2024, multiplied by (ii) 80%. Upon conversion, the Company recorded a debit to the Second SAFE Agreement of \$3.5 million, a credit to Additional paid-in-capital of \$4.4 million and recognized expense of \$0.9 million within Other (expense) income, net in its unaudited condensed consolidated statement of operations for the thirteen and twenty-six week periods ended June 30, 2024.

### *Third SAFE*

On May 13, 2024, the Company entered into a third SAFE (the “Third SAFE”) with the Purchaser, in connection with the Purchaser investing \$1.0 million in the Company. The Third SAFE is convertible into shares of the Company’s common stock upon the initial closing of a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues and sells shares of its common stock in an Equity Financing transaction, at a per share conversion price which is equal to 50% of the price per share of the Company’s common stock sold in an Equity Financing. If the Company consummates a change of control prior to the termination of the Third SAFE, the Purchaser will be automatically entitled to receive a portion of the proceeds of such liquidity event equal to \$1.0 million, subject to certain adjustments as set forth in the Third SAFE. The Third SAFE is convertible into a maximum of 2,750,000 shares of the Company’s common stock, assuming a per share conversion price of \$0.275, which is the product of (i) \$0.55, the closing price of the Company’s common stock on May 13, 2024, multiplied by (ii) 50%. Given that the Third SAFE may be settled in cash or a variable number of shares, the Company has accounted for the instrument as a liability at its fair value.

The estimated fair value of the Third SAFE was \$0.4 million and \$0.4 million as of June 29, 2025 and December 29, 2024, based upon the assumptions disclosed in Note 4 – Fair Value Measurements.

The change in the fair value of the Third SAFE is recorded within Other (expense) income, net in the accompanying condensed consolidated statements of operations and comprehensive loss. The change in the fair value of the Third SAFE was expense of less than \$0.1 million and zero in the thirteen week periods ended June 29, 2025 and June 30, 2024, respectively. The change in the fair value of the Third SAFE was expense of less than \$0.1 million and zero in the twenty-six week periods ended June 29, 2025 and June 30, 2024, respectively.

### **(11) Stock-Based Compensation**

In July 2023, the Company’s board of directors adopted and stockholders approved the 2023 Incentive Equity Plan (the “2023 Plan”). The 2023 Plan became effective immediately upon the closing of the Amended and Restated Business Combination Agreement. Initially, a maximum number of 8,763,322 shares of Complete Solaria Common Stock may be issued under the 2023 Plan. In addition, the number of shares of Complete Solaria Common Stock reserved for issuance under the 2023 Plan will automatically increase on January 1 of each year, starting on January 1, 2024 and ending on January 1, 2033, in an amount equal to the lesser of (1) 4% of the total number of shares of Complete Solaria’s Common Stock outstanding on December 31 of the preceding year, or (2) a lesser number of shares of Complete Solaria Common Stock determined by Complete Solaria’s Board prior to the date of the increase. The maximum number of shares of Complete Solaria Common Stock that may be issued on the exercise of incentive stock options (“ISOs”) under the 2023 Plan is three times the number of shares available for issuance upon the 2023 Plan becoming effective (or 26,289,966 shares).

Historically, awards were granted under the Amended and Restated Complete Solaria Omnibus Incentive Plan (“2022 Plan”), the Complete Solar 2011 Stock Plan (“2011 Plan”), the Solaria Corporation 2016 Stock Plan (“2016 Plan”) and the Solaria Corporation 2006 Stock Plan (“2006 Plan”) (together with the Complete Solaria, Inc. 2023 Incentive Equity Plan (“2023 Plan”), “the Plans”).

Under the Plans, the Company has granted service-based stock options and restricted stock units (“RSUs”). Compensation expense for stock options under the Company’s cliff vesting schedule is generally recognized equally over the vesting period of five years. RSUs granted during the fiscal year ended December 29, 2024 are also recognized equally over the vesting period of five years.

The information below summarizes the stock option activity under the Plans.

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding—December 29, 2024	9,997,233	\$ 2.77	5.29	\$ 6,356
Options granted	—			
Options exercised	(533,575)	0.71		196
Options canceled	(2,333,550)	3.41		
Outstanding—June 29, 2025	<u>7,130,108</u>	2.51	4.74	4,207
Vested and expected to vest— June 29, 2025	<u>7,130,108</u>	2.51	4.74	4,207
Vested and exercisable— June 29, 2025	<u>3,466,423</u>	5.08	3.45	1,911

The information below summarizes the RSU activity.

	Number of RSUs	Weighted Average Grant Date Fair Value
Unvested at December 29, 2024	1,982,135	\$ 1.78
Granted	19,250,239	1.76
Vested and released	(2,007,502)	1.74
Cancelled or forfeited	(1,613,149)	1.78
Unvested at June 29, 2025	<u>17,611,723</u>	1.76

#### ***Stock-based compensation expense***

The following table summarizes stock-based compensation expense and its allocation within the accompanying unaudited condensed consolidated statements of operations and comprehensive loss (*in thousands*):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Cost of revenues	\$ 626	\$ 29	\$ 672	\$ 56
Sales and marketing	972	214	1,098	430
General and administrative	2,119	986	2,261	2,084
Total stock-based compensation expense	<u>\$ 3,717</u>	<u>\$ 1,229</u>	<u>\$ 4,031</u>	<u>\$ 2,570</u>

As of June 29, 2025, unrecognized stock-based compensation costs related to service-based options and RSUs was \$1.7 million and \$3.6 million respectively, and such compensation cost is expected to be recognized over a weighted-average period of 3.0 years and 4.8 years, respectively.

## (12) Commitments and Contingencies

### *Warranty provision*

Activity by period relating to the Company's warranty provision was as follows (*in thousands*):

	Twenty-Six Weeks Ended	
	June 29, 2025	June 30, 2024
Warranty provision, beginning of period	\$ 5,968	\$ 4,849
Accruals for new warranties issued	2,108	361
Settlements	(39)	(370)
Warranty provision, end of period	\$ 8,037	\$ 4,840
Warranty provision, current	4,600	1,424
Warranty provision, noncurrent	3,437	3,416

### *Indemnification agreements*

From time to time, in its normal course of business, the Company may indemnify other parties, with which it enters into contractual relationships, including customers, lessors, and parties to other transactions with the Company. The Company may agree to hold other parties harmless against specific losses, such as those that could arise from breach of representation, covenant or third-party infringement claims. It may not be possible to determine the maximum potential amount of liability under such indemnification agreements due to the unique facts and circumstances that are likely to be involved in each particular claim and indemnification provision. Historically, there have been no such indemnification claims. In the opinion of management, any liabilities resulting from these agreements would not have a material adverse effect on the business, financial position, results of operations, or cash flows of the Company.

### *Settlement of dispute with SunPower Bankruptcy Estate*

Following the consummation of the acquisition of certain assets and assumption of certain liabilities of SunPower on September 30, 2024, certain matters pertaining to the acquisition were under dispute which included 1) amounts owed to and from the buyer and seller with respect to amounts in escrow related to the consideration transferred, 2) the right to the cash acquired in the acquisition, and 3) the right for the Company to sell and collect for certain solar systems that were acquired as a part of the acquisition that were sold or are to be sold to homebuilders within the New Homes Business. On June 25, 2025, all matters under dispute were resolved by the Company and the Sunpower Bankruptcy Estate. Matters 1) and 2) were resolved such that no amounts will be paid (or received) by the Company. Matter 3) was resolved such that the Company has the right to sell the related inventory acquired and collect the underlying sales price for the sale of the solar system. In connection with each system sold, the Company is required to remit a portion of the sales price to the Bankruptcy Estate. The impact of the related settlement is not anticipated to be material.

### *Legal matters*

The Company is a party to various legal proceedings and claims which arise in the ordinary course of business. The Company records a liability when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. If the Company determines that a loss is reasonably possible and the loss or range of loss can be reasonably estimated, the Company discloses the reasonably possible loss. The Company adjusts its accruals to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular case. Legal costs are expensed as incurred. Although claims are inherently unpredictable, the Company is not aware of any matters that may have a material adverse effect on the Company's business, financial position, results of operations, or cash flows. The Company has a loss contingency for legal settlements of \$8.1 million and \$7.7 million recorded within accrued expenses and other current liabilities in its unaudited condensed consolidated balance sheets at each of June 29, 2025 and December 29, 2024.

### ***SolarPark litigation***

In January 2023, SolarPark Korea Co., LTD (“SolarPark”) demanded approximately \$80.0 million during discussions between the Company and SolarPark. In February 2023, the Company submitted its statement of claim seeking approximately \$26.4 million in damages against SolarPark. The ultimate outcome of this arbitration is currently unknown and could result in a material liability to the Company. However, the Company believes that the allegations lack merit and intends to vigorously defend all claims asserted. No liability has been recorded in the Company’s unaudited condensed consolidated financial statements as the likelihood of a loss is not probable at this time.

On March 16, 2023, SolarPark filed a complaint against Solaria and the Company in the U.S. District Court for the Northern District of California (“the court”). The complaint alleges a civil conspiracy involving misappropriation of trade secrets, defamation, tortious interference with contractual relations, inducement to breach of contract, and violation of California’s Unfair Competition Law. The complaint indicates that SolarPark has suffered in excess of \$220.0 million in damages.

On May 11, 2023, SolarPark filed a motion for preliminary injunction to seek an order restraining the Company from using or disclosing SolarPark’s trade secrets, making or selling shingled modules other than those produced by SolarPark, and from soliciting solar module manufacturers to produce shingled modules using Solaria’s shingled patents. On May 18, 2023, the Company responded by filing a motion for partial dismissal and stay. On June 1, 2023, SolarPark filed an opposition to the Company’s motion for dismissal and stay and a reply in support of their motion for preliminary injunction. On June 8, 2023, the Company replied in support of its motion for partial dismissal and stay. On July 11, 2023, the court conducted a hearing to consider SolarPark’s and the Company’s respective motions. On August 3, 2023, the court issued a ruling, which granted the preliminary injunction motion with respect to any purported misappropriation of SolarPark’s trade secrets. The court’s ruling does not prohibit the Company from producing shingled modules or from utilizing its own patents for the manufacture of shingled modules. The court denied SolarPark’s motion seeking a defamation injunction. The court denied the Company’s motion to dismiss and granted the Company’s motion to stay the entire litigation pending the arbitration in Singapore. On September 1, 2023, the Company filed a Limited Notice of Appeal to appeal the August 2023 order granting SolarPark’s motion for preliminary injunction. On September 26, 2023, Solaria filed a Notice of Withdrawal of Appeal and will not appeal the Court’s Preliminary Injunction Order. Between August 2023 and March 2024, the parties were engaged in discovery negotiations and the Company produced documents to SolarPark. The Company produced its last set of documents on March 14, 2024. Since then, SolarPark has been reviewing the documents, and the case has remained stayed.

No liability has been recorded in the Company’s unaudited condensed consolidated financial statements as the likelihood of a loss is not probable at this time.

### ***Siemens litigation***

On July 22, 2021, Siemens Government Technologies, Inc. (“Siemens Government Technologies”) filed a lawsuit against Solaria Corporation in Fairfax Circuit Court (the “Court”) in Fairfax, Virginia. On July 27, 2023, Siemens Government Technologies moved to amend the complaint to add Siemens Industry Inc. as a co-plaintiff. This motion was granted on August 25, 2023. On October 23, 2023, Siemens Government Technologies and Siemens Industry Inc. (collectively, “Siemens”) and Solaria Corporation stipulated to add Solar CA, LLC as a co-defendant. Solaria Corporation and Solar CA, LLC (collectively, the “Subsidiaries”) are both wholly-owned subsidiaries of Complete Solaria, Inc. In the lawsuit, Siemens alleged that the Subsidiaries breached express and implied warranties under a purchase order that Siemens placed with the Subsidiaries for a solar module system. Siemens claimed damages of approximately \$6.9 million, inclusive of amounts of the Subsidiaries’ indemnity obligations to Siemens, plus attorneys’ fees.

On February 22, 2024, the Court issued an order against the Subsidiaries which awarded Siemens approximately \$6.9 million, inclusive of the amounts of the Subsidiaries' indemnity obligations to Siemens, plus attorneys' fees, the amount of which would be determined at a later hearing. On March 15, 2024, Siemens filed a motion seeking to recover \$2.67 million for attorneys' fees, expenses, and pre-and post-judgment interest. The Company opposed Siemens' motion for attorneys' fees, expenses, and pre- and post-judgment interest on April 5, 2024. On June 17, 2024, the Court entered a final order which awarded Siemens a total of \$2.0 million in attorneys' fees and costs. The Company has appealed these judgments.

In addition to the above, on August 19, 2024, Siemens applied for the enforcement to a sister state judgment in the Superior Court of Alameda, California and the court entered a judgement in favor of Siemens. On December 9, 2024, Siemens moved to amend the judgment to add Complete Solaria, Inc. as a judgement debtor. The subsidiaries opposed the Siemens motion. On June 30, 2025, the California court found that Complete Solaria, Inc. should be added as a Judgment Debtor party in California. The Company plans to appeal the California court's decision. IN addition, the parties argued the appeal the of the underlying Virginia litigation on July 24, 2025. There is no projected date for the appellate court's decision at this time.

The Company recognized \$6.9 million as a legal loss related to this litigation in 2023 which amount is included in the \$7.7 million legal settlements disclosed above.

The Company recorded an additional expense of \$2.0 million within discontinued operations in its unaudited condensed consolidated statement of operations and comprehensive (loss) in the thirteen and twenty-six week periods ended June 29, 2024, for attorneys' fees, expenses, and pre-judgment interest, and this liability was recorded within accrued expenses and other current liabilities in the accompanying unaudited condensed consolidated balance sheets as of June 29, 2025, and December 29, 2024.

#### ***Letters of credit***

The Company had \$3.5 million of outstanding letters of credit related to normal business transactions as of June 29, 2025 and December 29, 2024. These agreements require the Company to maintain specified amounts of cash as collateral in segregated accounts to support the letters of credit issued thereunder. As discussed in Note 2 – Summary of Significant Accounting Policies, the cash collateral in these restricted cash accounts was \$3.8 million at each of June 29, 2025 and December 29, 2024.

#### **(13) Income Taxes**

As a result of the Company's history of net operating losses, the Company has provided for a full valuation allowance against its deferred tax assets. For the thirteen week periods ended June 29, 2025, and June 30, 2024, the Company recognized income tax expense of zero and ten thousand dollars, respectively. For the twenty-six week periods ended June 29, 2025, and June 30, 2024, the Company recognized income tax expense of zero and eleven thousand dollars, respectively.

**(14) Basic and Diluted Net Loss Per Share**

The Company uses the two-class method to calculate net loss per share. No dividends were declared or paid in the thirteen and twenty-six week periods ended June 29, 2025 and June 30, 2024.

The following table sets forth the computation of the Company's basic and diluted net loss per share attributable to common stockholders for the thirteen and twenty-six week periods ended June 29, 2025 and June 30, 2024 (in thousands, except share and per share amounts):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
<b>Numerator for basic loss per share:</b>				
Net loss from continuing operations	\$ (22,422)	\$ (13,887)	\$ (14,295)	\$ (23,475)
Net loss from discontinued operations	—	(2,007)	—	(2,007)
Net loss	<u>(22,422)</u>	<u>(15,894)</u>	<u>(14,295)</u>	<u>(25,482)</u>
<b>Adjustments to numerator for diluted loss per share</b>				
Forward Purchase Agreements, net of tax	—	—	(1,274)	—
Total adjustments to numerator for diluted income (loss) per share	<u>—</u>	<u>—</u>	<u>(1,274)</u>	<u>—</u>
<b>Numerator for diluted loss per share:</b>				
Net loss from continuing operations	(22,422)	(13,887)	(15,569)	(23,475)
Net loss from discontinued operations	—	(2,007)	—	(2,007)
Net loss	<u>\$ (22,422)</u>	<u>\$ (15,894)</u>	<u>\$ (15,569)</u>	<u>\$ (25,482)</u>
<b>Denominator:</b>				
Weighted average shares:				
Denominator for basic loss per share	80,827,976	61,111,005	80,471,380	54,941,543
Effect of dilutive securities:				
Forward Purchase Agreements	—	—	6,720,000	—
Denominator for diluted loss per share	<u>80,827,976</u>	<u>61,111,005</u>	<u>87,191,380</u>	<u>54,941,543</u>
<b>Net loss per share:</b>				
Basic:				
Net loss from continuing operations	\$ (0.28)	\$ (0.23)	\$ (0.18)	\$ (0.43)
Net loss from discontinued operations	—	(0.03)	—	(0.03)
Net loss	<u>\$ (0.28)</u>	<u>\$ (0.26)</u>	<u>\$ (0.18)</u>	<u>\$ (0.46)</u>
Diluted:				
Net loss from continuing operations	\$ (0.28)	\$ (0.23)	\$ (0.18)	\$ (0.43)
Net loss from discontinued operations	—	(0.03)	—	(0.03)
Net loss	<u>\$ (0.28)</u>	<u>\$ (0.26)</u>	<u>\$ (0.18)</u>	<u>\$ (0.46)</u>

The computation of basic net loss per share attributable to common stockholders is inclusive of warrants with an insignificant exercise price. The Company's calculation of the weighted average shares outstanding is inclusive of 236,196 warrants with an insignificant exercise price (which assumes that the warrants were outstanding as of the beginning of the period or the date of the grant, whichever is earlier) for each of the thirteen and twenty-six week periods ended June 29, 2025, respectively. The computation of diluted net loss per share attributable to common stockholders is inclusive of the impact of the Company's FPAs (which were dilutive) using the if-converted method for the thirteen and twenty-six week periods ended June 29, 2025. The computation of diluted net loss per share attributable to common stockholders is also inclusive of the impact of the Company's dilutive stock options, RSUs, and warrants as calculated using the treasury stock method for the thirteen and twenty-six week periods ended June 29, 2025.

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Common stock warrants	25,670,265	23,024,556	25,670,265	23,024,556
Stock options and RSUs issued and outstanding	24,741,831	14,440,661	24,741,831	14,440,661
July 2024 Notes and derivative liability	27,364,717	—	27,364,717	—
September 2024 Notes derivative liability	37,333,318	—	37,333,318	—
Third SAFE Agreement	2,750,000	—	2,750,000	—
Forward Purchase Agreements	6,720,000	—	—	—
Total potential common shares excluded from diluted net loss per share	<u>124,580,131</u>	<u>37,465,217</u>	<u>117,860,131</u>	<u>37,465,217</u>

### (15) Segment Information

The segment information is presented on a basis that is consistent with the Company's internal management reporting. The Company's Chief Executive Officer ("CEO") is the Chief Operating Decision Maker ("CODM"). The CODM manages the Company and reports financial results based on two reportable segments which are the same as The Company's operating segments. The CODM evaluates the performance of these reportable segments and allocates resources to make operating decisions based on certain financial information, including segmented internal income/(loss) prepared on a basis consistent with U.S. GAAP. The measurement criteria is based on their operating revenue and operating income (loss) and excluding any corporate costs which are not allocatable to the operating segments. The CODM's measurement criteria does not include segment assets. During the periods presented, the Company reported its financial performance through the following two reportable segments; Residential Solar Installation and New Homes Business.

**Residential Solar Installation.** This segment performs solar system, storage and battery installations for residential homeowners.

**New Homes Business.** This segment is new in the thirteen week period ended March 30, 2025, as a result of the SunPower Acquisition which occurred in the fourth quarter of fiscal 2024. The Company developed a method to allocate direct expenses for the respective reportable segments. This segment performs solar system installations for new home builders.

(in thousands)	Thirteen Weeks Ended					
	June 29, 2025			June 30, 2024		
	Residential Solar Installation	New Homes Business	Total	Residential Solar Installation	New Homes Business	Total
Operating revenues	\$ 37,396	\$ 30,128	\$ 67,524	\$ 4,492	\$ —	\$ 4,492
Less:						
Cost of revenues	24,243	14,520	38,763	5,384	—	5,384
Sales commissions	8,736	319	9,055	1,305	—	1,305
Sales and marketing	6,539	294	6,833	1,051	—	1,051
General and administrative <sup>(1)</sup>	10,628	4,963	15,591	6,246	—	6,246
Operating (loss) income from continuing operations	(12,750)	10,032	(2,718)	(9,494)	—	(9,494)
Reconciliation of segment (loss) income from continuing operations before income taxes:						
Unallocated amounts:						
Interest expense	—	—	(7,660)	—	—	(2,324)
Interest income	—	—	—	—	—	10
Other (expense) income, net	—	—	(12,044)	—	—	(2,069)
(Loss) income from continuing operations before income taxes	<u>\$ (12,750)</u>	<u>\$ 10,032</u>	<u>\$ (22,422)</u>	<u>\$ (9,494)</u>	<u>\$ —</u>	<u>\$ (13,877)</u>

(1) For the thirteen weeks ended June 29, 2025, depreciation and amortization expense was \$1.2 million and \$0.2 million for the Residential Solar Installation and New Homes Business reportable segments, respectively. For the thirteen weeks ended June 30, 2024, depreciation and amortization expense was \$0.3 million for the Residential Solar Installation reportable segment.

**Twenty-Six Weeks Ended**

	June 29, 2025			June 30, 2024		
	Residential Solar Installation	New Homes Business	Total	Residential Solar Installation	New Homes Business	Total
<i>(in thousands)</i>						
Operating revenues	\$ 75,518	\$ 74,746	\$ 150,264	\$ 14,532	\$ —	\$ 14,532
Less:						
Cost of revenues	46,404	42,601	89,005	13,141	—	13,141
Sales commissions	15,403	1,336	16,739	4,421	—	4,421
Sales and marketing	14,810	487	15,297	2,669	—	2,669
General and administrative <sup>(1)</sup>	20,542	10,357	30,899	11,339	—	11,339
Operating (loss) income from continuing operations	(21,641)	19,965	(1,676)	(17,038)	—	(17,038)
<i>Reconciliation of segment (loss) income from continuing operations before income taxes:</i>						
Unallocated amounts:						
Interest expense	—	—	(15,154)	(5,892)	—	(5,892)
Interest income	—	—	3	16	—	16
Other (expense) income, net	—	—	2,532	(550)	—	(550)
(Loss) income from continuing operations before income taxes	\$ (21,641)	\$ 19,965	\$ (14,295)	\$ (23,464)	\$ —	\$ (23,464)

(1) For the twenty-six weeks ended June 29, 2025, depreciation and amortization expense was \$2.6 million and \$0.4 million for the Residential Solar Installation and New Homes Business reportable segments, respectively. For the twenty-six weeks ended June 30, 2024, depreciation and amortization expense was \$0.7 million for the Residential Solar Installation reportable segment.

Assets by segment are as follows *(in thousands)*:

	As of	
	June 29, 2025	December 29, 2024
Residential Solar Installation	\$ 65,112	\$ 66,145
New Homes Business	98,028	78,321
Total assets	\$ 163,140	\$ 144,466

**(16) Related Party Transactions**

Refer to the following notes to the Company's unaudited condensed consolidated financial statements for details regarding the related party transactions entered into by the Company; Note 1(a) – Description of Business; Note 2(h) – Summary of Significant Accounting Policies – *Changes in related parties*; Note 4 – Fair Value Measurements; Note 6 – Accrued Expenses and Other Current Liabilities; Note 7 – Other (Expense) Income, Net; Note 8 – Capital Stock; Note 9 – Borrowings and Derivative Liabilities, Note 10 – SAFE Agreements; and Note 17 – Subsequent Events. All other related party transactions are described herein.

The Company determined that SameDay Solar became a related party in the fourth quarter of fiscal 2024 with which the Company does business. Revenue and commission expense with SameDay Solar were \$0.1 million and \$0.1 million for the thirteen and twenty-six week periods ended June 29, 2025, respectively.

## **(17) Subsequent Events**

### *One Big Beautiful Bill Act*

The One Big Beautiful Bill Act (“OBBBA”) was enacted on July 4, 2025. The OBBBA contains significant changes to corporate taxation, including accelerated deductions for capital expenditures, expensing of research and development costs incurred in the US, and increased deductibility of interest expense. The Company is currently evaluating the impact of OBBBA.

### *Issuance of 12% convertible senior unsecured convertible note to related party*

On July 10, 2025, the Company issued a convertible promissory note (the “July 2025 Note”) to the Rodgers Revocable Trust in exchange for \$5.0 million proceeds received by the Company in the period ended June 29, 2025. Upon issuance, these July 2025 Note had a fair value of \$5.9 million.

The July 2025 Note bears a 12% interest rate. The July 2025 Note is a general unsecured obligation of the Company and will mature on July 1, 2029, unless earlier converted, redeemed or repurchased. Interest on the July 2025 Note will accrue at a rate of 12.00% per year from July 1, 2024 and will be payable semiannually in arrears on January 1 and July 1 of each year, beginning on January 1, 2026. The July 2025 Note is convertible at the option of the holder at any time prior to the payment of the principal amount of the July 2025 Note in full. Upon conversion of the July 2025 Note, the Company will satisfy its conversion obligation by delivering shares of common stock and paying cash in respect of any fractional shares. The conversion rate of the July 2025 Note is initially equal to 558.6592 shares of common stock per \$1,000 principal amount due under the July 2025 Note. The conversion rate is subject to adjustment from time to time pursuant to the terms of the July 2025 Note.

### *Amendments to FPAs*

On July 15, 2025, the Company and Meteora Special Opportunity Fund I, LP (“MSOF”), Meteora Capital Partners, LP (“MCP”) and Meteora Select Trading Opportunities Master, LP (“MSTO”) (with MSOF, MCP, and MSTO collectively as “Meteora”) entered into an amendment to the FPA between Meteora and the Company, on July 16, 2025, the Company and Sandia Investment Management LP (“Sandia”) entered into an amendment to the FPA between Sandia and the Company, and on August 1, 2025, the Company and Polar entered in an amendment to the FPA between the Company and Polar (collectively, the “FPA Amendments”).

The FPA Amendments extend the valuation date applicable to the Forward Purchase Agreements (the “Valuation Date”) to the earliest to occur of (a) July 17, 2026, (b) the date specified by Meteora or Sandia, as applicable, in a written notice to be delivered to the Company at their discretion and (c) 90 days after delivery by the Company of a written notice in the event that for any 20 trading days during a 30 consecutive trading day-period that occurs at least six months after the closing date of the transactions under the Amended and Restated Business Combination Agreement entered into on May 26, 2023, the applicable volume-weighted average price (“VWAP Price”) is less than the then applicable reset price, provided that a registration statement was effective and available for the entire measurement period and remains continuously effective and available during the entire 90 day notice period.

The FPA Amendments further amend the definition of “Settlement Amount Adjustment” to provide that if the expected Settlement Amount (as defined in the FPA Amendments) determined by the VWAP Price over the 15 scheduled trading days ending on but excluding the valuation date exceeds the Settlement Amount Adjustment, then the Settlement Amount Adjustment shall be deemed to be zero, and that if the Settlement Amount Adjustment exceeds the Settlement Amount, then the Settlement Amount Adjustment shall be paid, at the Company’s option, in cash or shares of the Company’s common stock.

The FPA Amendments also amend the definition of “Cash Settlement Payment Date” to provide that if the Settlement Amount Adjustment exceeds the Settlement Amount, the Company shall remit to the applicable seller the difference between (i) the Settlement Amount Adjustment and (ii) the Settlement Amount. The FPA Amendments further provide that the Settlement Amount will be used solely as a calculation mechanism to determine any liability the Company may owe to the applicable seller via the Settlement Amount Adjustment, and notwithstanding anything to the contrary, the applicable seller shall not be required to remit the Settlement Amount to the Company or return any portion of the Prepayment Amount.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with the unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 30, 2025, and related management's discussion and analysis in Item 7 of the Annual Report on Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include those identified below and those discussed in the section titled "Risk Factors" included elsewhere in this Quarterly Report on Form 10-Q. Please also see the section titled "Special Note Regarding Forward-Looking Statements."*

### Overview

Complete Solaria was formed in November 2022 through the merger of Complete Solar and The Solaria Corporation. Founded in 2010, Complete Solar created a technology platform to offer clean energy products to homeowners by enabling a national network of sales partners and build partners. Our sales partners generate solar installation contracts with homeowners on our behalf. To facilitate this process, we provide the software tools, sales support and brand identity to our sales partners, making them competitive with national providers. This turnkey solution makes it easy for anyone to sell solar. On September 30, 2024, upon approval by the Bankruptcy Court for the District of Delaware, we completed the acquisition of certain assets relating to the Blue Raven Solar Business, New Homes Business and non-Installing Dealer network previously operated by SunPower Debtors.

We fulfill our customer contracts by using in-house installation experts and by engaging with local construction specialists. We manage the customer experience and complete all pre-construction activities prior to delivering build-ready projects including hardware, engineering plans, and building permits to our builder partners. We manage and coordinate this process through our proprietary software system.

As further discussed below and above (Note 15 – Segment Information), we have two reportable segments: Residential Solar Installation and New Homes Business.

There is substantial doubt about our ability to continue as a going concern within one year after the date that the unaudited condensed consolidated financial statements are issued. The unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q have been prepared assuming the Company will continue to operate as a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business. They do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from uncertainty related to its ability to continue as a going concern.

### Growth strategy and outlook

Our growth strategy contains the following elements:

- *Increase revenue by expanding installation capacity and developing new geographic markets* – We continue to expand our network of partners who will install systems resulting from sales generated by our sales partners. By leveraging this network of skilled builders in addition to our in-house installation experts, we aim to increase our installation capacity in our traditional markets and expand our offering into new geographies throughout the U.S. This will enable greater sales growth in existing markets and create new revenue in expansion markets.
- *Increase revenue and margin by engaging national-scale sales partners* – We aim to offer a turnkey solar solution to prospective sales partners with a national footprint. These include electric vehicle manufacturers, national home security providers, and real estate brokerages. We expect to create a consistent offering with a single execution process for such sales partners throughout their geographic territories. These national accounts have unique customer relationships that we believe will facilitate meaningful sales opportunities and low cost of acquisition to both increase revenue and improve margin.

## Mergers

We entered into an Amended and Restated Business Combination Agreement with FACT, First Merger Sub, Second Merger Sub, and Solaria on October 3, 2022. The Merger was consummated on July 18, 2023. Upon the terms and subject to the conditions of the Merger, (i) First Merger Sub merged with and into Complete Solaria with Complete Solaria surviving as a wholly-owned subsidiary of FACT (the “**First Merger**”), (ii) immediately thereafter and as part of the same overall transaction, Complete Solaria merged with and into Second Merger Sub, with Second Merger Sub surviving as a wholly-owned subsidiary of FACT (the “**Second Merger**”), and FACT changed its name to “Complete Solaria, Inc.” and Second Merger Sub changed its name to “CS, LLC” and (iii) immediately after the consummation of the Second Merger and as part of the same overall transaction, Solaria merged with and into a newly formed Delaware limited liability company and wholly-owned subsidiary of FACT and changed its name to “The SolarCA LLC” (“**Third Merger Sub**”), with Third Merger Sub surviving as a wholly-owned subsidiary of FACT (the “**Additional Merger**”, and together with the First Merger and the Second Merger, the “**Mergers**”).

The Mergers between Complete Solaria and FACT has been accounted for as a reverse recapitalization. Under this method of accounting, FACT was treated as the acquired company for financial statement reporting purposes. This determination was primarily based on the Company having a majority of the voting power of the post-combination company, the Company’s senior management comprising substantially all of the senior management of the post-combination company, and the Company’s operations comprising the ongoing operations of the post-combination company. Accordingly, for accounting purposes, the Mergers have been treated as the equivalent of a capital transaction in which Complete Solaria is issuing stock for the net assets of FACT. The net assets of FACT have been stated at historical cost, with no goodwill or other intangible assets recorded.

## Disposal transaction

In October 2023, we completed the divestiture of our solar panel business to Maxeon (“**Divestiture**”), pursuant to the terms of a disposal agreement (“**Disposal Agreement**”). Under the terms of the Disposal Agreement, Maxeon agreed to acquire certain assets and employees of Complete Solaria, for an aggregate purchase price of approximately \$11.0 million consisting of 1,100,000 shares of Maxeon ordinary shares. We determined that the criteria were met for discontinued operations classification as the divestiture represented a strategic shift in our business. In connection with the Divestiture, we recognized a loss from discontinued operations of \$2.0 million and \$173.4 million in the fiscal years ended December 29, 2024 and December 31, 2023, respectively. We also sold all the Maxeon shares in the year ended December 31, 2023, and recorded a \$4.2 million loss on the sale of these shares in our consolidated statements of operations and comprehensive loss.

Below we have discussed our historical results of operations, which excludes our product revenues and related metrics, as all results of operations associated with the solar panel business have been presented as discontinued operations, unless otherwise noted.

## SunPower acquisition transaction

On August 5, 2024, we entered into the asset purchase agreement among us and the SunPower Debtors which provided 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 “**Acquired SunPower Assets**”). The sale by SunPower was approved on September 23, 2024, by the United States Bankruptcy Court for the District of Delaware. We completed the acquisition (“**Acquisition**”) of the Acquired SunPower Assets (“**SunPower Businesses**”) effective September 30, 2024.

We financed the Acquisition by issuing 7% convertible senior notes (“**September 2024 Notes**”) in September 2024, which are due in 2029. The September 2024 Notes mature on July 1, 2029 and are convertible into shares of our common stock at the option of the holder at a conversion rate of \$2.14 per share. The September 2024 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.

## Key financial definitions/components of results of operations

### Revenues

Revenue is recognized for Residential Solar Installation and New Homes Business when a customer obtains control of promised products and services and we have satisfied our performance obligations which is the date by which substantially all of our design and installation is complete for a fully functioning solar power system to interconnect to the local power grid.

Installation includes the design of a solar energy system, the delivery of the components of the solar energy system (i.e., photovoltaic system, inverter, battery storage, etc.), installation services and services facilitating the connection of the solar energy system to the power grid. We account for these services as inputs to a combined output, resulting in a single service-based performance obligation.

The amount of revenue recognized reflects the consideration which we expect to be entitled to receive in exchange for the products and services. To achieve this core principle, we apply the following five steps:

- Step 1. Identification of the contract(s) with a customer;
- Step 2. Identification of the performance obligations in the contracts(s);
- Step 3. Determination of the transaction price;
- Step 4. Allocation of the transaction price to the performance obligations;
- Step 5. Recognition of the revenue when, or as, we satisfy a performance obligation.

### Residential Solar Installation revenues

Our Residential Solar Installation segment sells products through a network of installing and non-installing dealers and resellers, as well as our internal sales team. Our contracts with customers include three primary contract types:

- *Cash agreements* – We contract directly with homeowners who purchase the solar energy system and related services from us. Customers are invoiced on a billing schedule, where the majority of the transaction price is due upon installation with an additional payment due when the system passes inspection by the authority having jurisdiction.
- *Financing partner agreements* – In our financing partner agreements, we contract directly with homeowners for the purchase of the solar energy system and related services. We refer the homeowner to a financing partner to finance the system, and the homeowner makes payments directly to the financing partner. We receive consideration from the financing partner on a billing schedule where the majority of the transaction price is due upon installation with an additional payment due when the system passes inspection by the authority having jurisdiction.
- *Power purchase agreements and lease agreements* – We contract directly with a leasing partner to perform the solar energy system installation, and the homeowner will finance the system through a power purchase agreement (or lease), which is signed with our leasing partner. We consider the leasing partner to be our customer, as we do not contract directly with the homeowner and the leasing partner takes ownership of the system upon the completion of installation. We receive consideration from the leasing partner on a billing schedule where the majority of the transaction price is due upon installation with an additional payment due when the system passes inspection by the authority having jurisdiction.

Our New Homes Business segment sells through a network of home builders as well as our internal sales team. Our contracts with customers include two primary contract types:

- *Cash agreements* – We contract directly with homebuilders who purchase the solar energy system from us and are the customers in the transaction. Our customers are invoiced upon the completion of installation.
- *Lease agreements* – Prior to the SunPower Corporation’s declaration of bankruptcy, certain homeowners had intended to lease a system from the SunPower Corporation, but were unable to consummate the transaction (as a result of SunPower’s declaration of bankruptcy). The in-process system inventory (installed on recently constructed homes) was acquired by us in connection with the SunPower Acquisition. We contracted directly with a leasing partner to facilitate the leasing of the system to the impacted homeowners. We consider the leasing partner to be our customer. Under the terms of our arrangement with the leasing partner, control is not transferred to the customer until the completed system is accepted by the customer. We receive consideration from the leasing partner following the acceptance of the system.

Our performance obligation for both reportable segments is to design and install a fully functioning solar energy system. For all contract types (with the exception of New Homes Business Lease agreements), we recognize revenue over time. Our over-time revenue recognition begins when the solar power system is fully installed (as it is at this point that control of the asset begins to be transferred to the customer and the customer retains the significant risks and rewards of ownership of the solar power system). We recognize revenue using the input method based on direct costs to install the system and defer the costs of installation until such time that control of the asset transfers to the customer (installation). For New Homes Business Lease agreements, we consider the performance obligation to be satisfied at a point in time upon acceptance of the system by the customer.

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

We record deferred revenue for amounts invoiced that are received in advance of the provisioning of services. In certain contracts with customers, we arrange for a third-party financing partner to provide financing to the customer. We collect upfront from the financing partner and the customer will provide installment payments to the financing partner. We record revenue in the amount received from the financing partner, net of any financing fees charged to the homeowner, which we consider to be a customer incentive. None of our contracts contain a significant financing component.

*Costs to obtain and fulfill contracts*

Our costs to obtain and fulfill contracts, when recognized, associated with systems sales are expensed as sales commission 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.

### ***Cost of revenues***

Cost of revenues is comprised primarily of cost of material, internal labor costs, third-party subcontractors, design services, engineering personnel and employee-related expenses associated with permitting services, associated warranty costs, freight and delivery costs, depreciation, and amortization of internally developed software. Cost of revenues from these services is recognized when we transfer control of the product to the customer, which is generally upon installation.

### **Operating expenses**

#### ***Sales commissions***

Sales commissions are direct and incremental costs of obtaining customer contracts. These costs are paid to internal sales teams and third-party vendors who source residential customer contracts for the sale of solar energy systems.

#### ***Sales and marketing***

Sales and marketing expenses primarily consist of personnel related costs, including salaries and employee benefits, stock-based compensation, and other promotional and advertising expenses. We expense certain sales and marketing, including promotional expenses, as incurred.

#### ***General and administrative***

General and administrative expenses consist primarily of personnel and related expenses for employees, in our finance, research, engineering, and administrative teams including salaries, bonuses, payroll taxes, and stock-based compensation. It also consists of legal, consulting, and professional fees, rent expenses pertaining to our offices, business insurance costs and other costs.

#### ***Interest expense***

Interest expense primarily relates to interest expense on the issuance of debt and convertible notes and the amortization of debt issuance costs.

#### ***Other (expense) income, net***

Other (expense) income, net consists of changes in the fair value of our derivative liabilities in connection with our convertible notes and changes in the fair value of common stock warrant liabilities, forward purchase agreements, and SAFE Agreements.

#### ***Income tax expense***

Income tax expense primarily consists of income taxes in certain jurisdictions in which we conduct business.

## Supply chain constraints and risk

We rely on a small number of suppliers of solar energy systems and other equipment. If any of our suppliers was unable or unwilling to provide us with contracted quantities in a timely manner at prices, quality levels and volumes acceptable to us, we would have very limited alternatives for supply, and we may not be able find suitable replacements for our customers, or at all. Such an event could materially adversely affect our business, prospects, financial condition and results of operations.

The global supply chain and our industry have experienced significant disruptions in recent periods. We have seen supply chain challenges and logistics constraints increase, including shortages of panels, inverters, batteries and associated component parts for inverters and solar energy systems available for purchase, which materially impacted our results of operations. These shortages and delays can be attributed in part to the broader macroeconomic conditions and have been exacerbated by the ongoing conflicts in Ukraine and Israel. If any of our suppliers of solar modules experienced disruptions in the supply of the modules' component parts, for example semiconductor solar wafers or inverters, this may decrease production capabilities and restrict our inventory and sales. In addition, we have experienced and are experiencing varying levels of volatility in costs of equipment and labor resulting in part from disruptions caused by general global economic conditions. While inflationary pressures have resulted in higher costs of products, in part due to an increase in the cost of the materials and wage rates, these additional costs have been offset by the related rise in electricity rates.

We cannot predict the full effects the supply chain constraints will have on our business, cash flows, liquidity, financial condition and results of operations at this time due to numerous uncertainties. Given the dynamic nature of these circumstances on our ongoing business, results of operations and overall financial performance, the full impact of macroeconomic factors, including the conflicts in Ukraine and Israel, cannot be reasonably estimated at this time. In the event we are unable to mitigate the impact of delays or price volatility in solar energy systems, raw materials, and freight, it could materially adversely affect our business, prospects, financial condition and results of operations. For additional information on risk factors that could impact our results, please refer to "*Risk Factors*" located included elsewhere in this Quarterly Report on Form 10-Q.

## Critical accounting policies and estimates

See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates" and our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended December 29, 2024 for accounting policies and related estimates we believe are the most critical to understanding our consolidated financial statements, financial condition and results of operations and which require complex management judgment and assumptions, or involve uncertainties. These critical accounting estimates include revenue recognition, accounting and accounting for business combinations. There have been no changes to our critical accounting estimates or their application since the date of our Annual Report on Form 10-K for the fiscal year ended December 29, 2024.

## Results of operations

We have derived the following data from our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. This information should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q. The results of historical periods are not necessarily indicative of the results of operations for any future period.

### Thirteen-weeks ended June 29, 2025 compared to the thirteen-weeks ended June 30, 2024

The following table sets forth our unaudited statements of operations from continuing operations for the thirteen weeks ended June 29, 2025, and the thirteen weeks ended June 30, 2024.

<i>(in thousands)</i>	Thirteen Weeks Ended		\$ Change	% Change
	June 29, 2025	June 30, 2024		
Revenues	\$ 67,524	\$ 4,492	\$ 63,032	1,403%
Cost of revenues <sup>(1)</sup>	38,763	5,384	33,379	620
Gross profit (loss)	28,761	(892)	29,653	*
Gross margin %	43%	(20)%		
Operating expenses:				
Sales commissions	9,055	1,305	7,750	594
Sales and marketing <sup>(1)</sup>	6,833	1,051	5,782	550
General and administrative <sup>(1)</sup>	15,591	6,246	9,345	150
Total operating expenses	31,479	8,602	22,877	266
Loss from continuing operations	(2,718)	(9,494)	6,776	(71)
Interest expense <sup>(2)</sup>	(7,660)	(2,324)	(5,336)	230
Interest income	—	10	(10)	(100)
Other (expense) income, net <sup>(3)</sup>	(12,044)	(2,069)	(9,975)	482
Loss from continuing operations before income taxes	(22,422)	(13,877)	(8,545)	62
Income tax provision	—	(10)	10	(100)
Net loss from continuing operations	\$ (22,422)	\$ (13,887)	\$ (8,535)	61

\* Percentage change is not meaningful.

(1) Includes stock-based compensation expense as follows *(in thousands)*:

	Thirteen Weeks Ended	
	June 29, 2025	June 30, 2024
Cost of revenues	\$ 626	\$ 29
Sales and marketing	972	214
General and administrative	2,119	986
Total stock-based compensation expense	\$ 3,717	\$ 1,229

(2) Includes interest expense and amortization of debt issuance costs to related party of \$1.6 million and \$1.4 million in the thirteen-weeks ended June 29, 2025 and June 30, 2024, respectively.

(3) Includes expense of \$1.6 million on the change in the fair value of derivative liabilities with related parties in the thirteen weeks ended June 29, 2025. Refer to Note 9 – Borrowings and Derivative Liabilities for details.

Other (expense) income, net includes related party transactions of \$1.0 million of income due to the change in the fair value of a forward purchase agreement, \$1.3 million loss on the conversion of SAFE Agreements and \$3.6 million loss due to the change in the fair value of Carlyle warrants in the thirteen week period ended June 30, 2024.

## Revenues

We disaggregate our revenues based on the following types of services (*in thousands*):

	Thirteen Weeks Ended		\$ Change	% Change
	June 29, 2025	June 30, 2024		
Residential Solar Installation	\$ 37,396	\$ 4,492	\$ 32,904	733%
New Homes Business	30,128	—	30,128	*
<b>Total revenue</b>	<b>\$ 67,524</b>	<b>\$ 4,492</b>	<b>\$ 63,032</b>	<b>1,403</b>

\* Percentage change is not meaningful.

The revenue increase is primarily attributed to the acquisition of SunPower assets in the fourth quarter of fiscal 2024. As a result, installations increased compared to the same period in the prior year by approximately 977 and 1,502 for Residential Solar Installation and New Homes Business reportable segments, respectively.

## Cost of revenues

	Thirteen Weeks Ended		\$ Change	% Change
	June 29, 2025	June 30, 2024		
Residential Solar Installation	\$ 24,243	\$ 5,384	\$ 18,859	350%
New Homes Business	14,520	—	14,520	*
<b>Total cost of revenues</b>	<b>\$ 38,763</b>	<b>\$ 5,384</b>	<b>\$ 33,379</b>	<b>620</b>

<b>Gross margin</b>	43%	(20)%
---------------------	-----	-------

\* Percentage change is not meaningful.

Cost of revenues increased attributed to the acquisition of the SunPower assets as installations increased the over the same period in the prior year period by approximately 977 and 1,502 for Residential Solar Installation and New Homes Business reportable segments, respectively.

## Gross margin

Gross margin for the thirteen weeks ended June 29, 2025 was 43% compared to a negative gross margin of 20% for the thirteen weeks ended June 30, 2024.

## Sales commissions

	Thirteen Weeks Ended		\$ Change	% Change
	June 29, 2025	June 30, 2024		
Residential Solar Installation	\$ 8,736	\$ 1,305	\$ 7,431	569%
New Homes Business	319	—	319	*
<b>Total sales commissions</b>	<b>\$ 9,055</b>	<b>\$ 1,305</b>	<b>\$ 7,750</b>	<b>594</b>

\* Percentage change is not meaningful.

Sales commissions for the Residential Solar Installation and New Homes Business reportable segments increased due to the increase in revenue arising from the acquisition of the SunPower assets in the fourth quarter of fiscal 2024.

## Sales and marketing

	Thirteen Weeks Ended		\$ Change	% Change
	June 29, 2025	June 30, 2024		
Residential Solar Installation	\$ 6,539	\$ 1,051	\$ 5,488	522%
New Homes Business	294	—	294	*
Total sales and marketing	<u>\$ 6,833</u>	<u>\$ 1,051</u>	<u>\$ 5,782</u>	<u>550</u>

\* Percentage change is not meaningful.

Sales and marketing expenses in the Residential Solar Installation reportable segment increased due to the acquisition of SunPower assets in the fourth quarter of fiscal 2024.

## General and administrative

	Thirteen Weeks Ended		\$ Change	% Change
	June 29, 2025	June 30, 2024		
Residential Solar Installation	\$ 10,628	\$ 6,246	\$ 4,382	70%
New Homes Business	4,963	—	4,963	*
Total general and administrative	<u>\$ 15,591</u>	<u>\$ 6,246</u>	<u>\$ 9,345</u>	<u>150</u>

\* Percentage change is not meaningful.

General and administrative expenses for the Residential Solar Installation and New Homes Business reportable segments increased due to the acquisition of the SunPower assets in the fourth quarter of fiscal 2024.

## Interest expense

Interest expense inclusive of amortization of debt issuance costs was \$7.7 million in the thirteen-weeks ended June 29, 2025. Interest expense and amortization of debt issuance costs primarily consisted of \$2.4 million attributable to the July 2024 Notes and \$5.1 million attributable to the September 2024 Notes, with the remainder attributable to interest expense on our \$1.5 million principal obligation owed to T. J Rodgers and finance lease interest expense. The July 2024 Notes and September 2024 Notes were issued in fiscal 2024 and replaced our then existing debt.

Interest expense was \$2.3 million in the thirteen weeks ended June 30, 2024, and consisted of \$1.3 million of interest expense relating to our obligation to Carlyle, \$0.4 million relating to our secured credit line, \$0.4 million related to our 2018 Bridge Loan and \$0.2 million attributable to the \$5.0 million revolver balance. Except for \$1.5 million of the revolver balance, these obligations were fully settled in the Exchange Agreement that we entered into in July 2024.

## Other (expense) income, net

Other (expense) income net, for the thirteen weeks ended June 29, 2025, was \$12.0 million. The main drivers consist of \$11.5 million expense due to the remeasurement of the fair value of derivative liabilities associated with our July 2024 Notes and September 2024 Notes and \$2.0 million of expense associated with the change in the fair value of our public, private placement and working capital warrants which are accounted for as liabilities. These expenses were partially offset by \$1.3 million of income arising from the change in the fair value of our forward purchase agreements and other income.

Other (expense) income, net in the thirteen-weeks ended June 30, 2024 was expense of \$2.1 million and was comprised of \$3.3 million of expense arising from changes in the fair value of warrants issued for our common stock, \$1.3 million loss incurred on the conversion of two SAFE Agreements to shares of our common stock and \$0.3 million of other costs, partially offset by \$2.8 million of income relating to changes in the fair value of our forward purchase agreements.

## Net loss from continuing operations

As a result of the factors discussed above, our net loss from continuing operations for the thirteen-weeks ended June 29, 2025 was \$22.4 million, a \$8.5 million increase in our net loss as compared to a net loss from continuing operations of \$13.9 million for the thirteen weeks ended June 30, 2024.

*Twenty-six weeks ended June 29, 2025 compared to the twenty-six weeks ended June 30, 2024*

The following table sets forth our unaudited statements of operations from continuing operations for the twenty-six weeks ended June 29, 2025, and the twenty-six weeks ended June 30, 2024.

<i>(in thousands)</i>	<b>Twenty-Six Weeks Ended</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>June 29, 2025</b>	<b>June 30, 2024</b>		
Revenues	\$ 150,264	\$ 14,532	\$ 135,732	934%
Cost of revenues <sup>(1)</sup>	89,005	13,141	75,864	577
Gross profit (loss)	61,259	1,391	59,868	4,304
Gross margin %	41%	10%		
Operating expenses:				
Sales commissions	16,739	4,421	12,318	279
Sales and marketing <sup>(1)</sup>	15,297	2,669	12,628	473
General and administrative <sup>(1)</sup>	30,899	11,339	19,560	173
Total operating expenses	62,935	18,429	44,506	241
Loss from continuing operations	(1,676)	(17,038)	15,362	(90)
Interest expense <sup>(2)</sup>	(15,154)	(5,892)	(9,262)	157
Interest income	3	16	(13)	(81)
Other (expense) income, net <sup>(3)</sup>	2,532	(550)	3,082	*
Loss from continuing operations before income taxes	(14,295)	(23,464)	9,169	(39)
Income tax provision	—	(11)	11	(100)
Net loss from continuing operations	\$ (14,295)	\$ (23,475)	\$ 9,180	(39)

\* Percentage change is not meaningful.

(1) Includes stock-based compensation expense as follows *(in thousands)*:

	<b>Twenty-Six Weeks Ended</b>	
	<b>June 29, 2025</b>	<b>June 30, 2024</b>
Cost of revenues	\$ 672	\$ 56
Sales and marketing	1,098	430
General and administrative	2,261	2,084
Total stock-based compensation expense	\$ 4,031	\$ 2,570

(2) Includes interest expense and amortization of debt issuance costs to related parties of \$3.6 million and \$4.0 million in the twenty-six week periods ended June 29, 2025 and June 30, 2024, respectively.

(3) Includes a gain of \$2.1 million on the change in the fair value of derivative liabilities with related parties in the twenty-six weeks ended June 29, 2025. Refer to Note 9 – Borrowings and Derivative Liabilities for details.

Also includes \$0.1 million of other income, net due to a change in the fair value of a forward purchase agreement with a related party in the twenty-six week period ended June 29, 2025.

Includes related party transactions of \$1.0 million loss due to a change in the fair value of forward purchase agreements, \$1.3 million loss on the conversion of SAFE Agreements and \$2.9 million gain due to the change in the fair value of Carlyle warrants in the twenty six week period ended June 30, 2024.

## Revenues

We disaggregate our revenues based on the following types of services (*in thousands*):

	Twenty-Six Weeks Ended		\$ Change	% Change
	June 29, 2025	June 30, 2024		
Residential Solar Installation	\$ 75,518	\$ 14,532	\$ 60,986	420%
New Homes Business	74,746	—	74,746	*
<b>Total revenue</b>	<b>\$ 150,264</b>	<b>\$ 14,532</b>	<b>\$ 135,732</b>	<b>934</b>

\* Percentage change is not meaningful.

The increase in revenue is primarily attributed to the acquisition of the SunPower assets. As a result, installations increased compared to the same period in the prior year by 1,777 and 4,102 for Residential Solar Installation and New Homes Business reportable segments, respectively.

## Cost of revenues

	Twenty-Six Weeks Ended		\$ Change	% Change
	June 29, 2025	June 30, 2024		
Residential Solar Installation	\$ 46,404	\$ 13,141	\$ 33,263	253%
New Homes Business	42,601	—	42,601	*
<b>Total cost of revenues</b>	<b>\$ 89,005</b>	<b>\$ 13,141</b>	<b>\$ 75,864</b>	<b>577</b>

<b>Gross margin</b>	41%	10%
---------------------	-----	-----

\* Percentage change is not meaningful.

Cost of revenues increased primarily attributed to the acquisition of the SunPower assets. As a result, installations increased compared to the same period in the prior year by approximately 1,777 and 4,102 for Residential Solar Installation and New Homes Business reportable segments, respectively.

## Gross margin

Gross margin for the twenty-six weeks ended June 29, 2025 was 41% compared to a gross margin of 10% for the twenty-six weeks ended June 30, 2024.

## Sales commissions

	Twenty-Six Weeks Ended		\$ Change	% Change
	June 29, 2025	June 30, 2024		
Residential Solar Installation	\$ 15,403	\$ 4,421	\$ 10,982	248%
New Homes Business	1,336	—	1,336	*
<b>Total sales commissions</b>	<b>\$ 16,739</b>	<b>\$ 4,421</b>	<b>\$ 12,318</b>	<b>279</b>

\* Percentage change is not meaningful.

Sales commissions for the Residential Solar Installation and New Homes Business reportable segments increased due to the increase in revenue arising from the acquisition of the SunPower assets in the fourth quarter of fiscal 2024.

## Sales and marketing

	Twenty-Six Weeks Ended		\$ Change	% Change
	June 29, 2025	June 30, 2024		
Residential Solar Installation	\$ 14,810	\$ 2,669	\$ 12,141	455%
New Homes Business	487	—	487	*
Total sales and marketing	\$ 15,297	\$ 2,669	\$ 12,628	473

\* Percentage change is not meaningful.

Sales and marketing expenses in the Residential Solar Installation reportable segment increased due to the acquisition of SunPower assets in the fourth quarter of fiscal 2024.

## General and administrative

	Twenty-Six Weeks Ended		\$ Change	% Change
	June 29, 2025	June 30, 2024		
Residential Solar Installation	\$ 20,542	\$ 11,339	\$ 9,203	81%
New Homes Business	10,357	—	10,357	*
Total general and administrative	\$ 30,899	\$ 11,339	\$ 19,560	173

\* Percentage change is not meaningful.

General and administrative expenses for the Residential Solar Installation and New Homes Business reportable segments increased due to the acquisition of the SunPower assets in the fourth quarter of fiscal 2024.

## Interest expense

Interest expense inclusive of amortization of debt issuance costs was \$15.1 million in the twenty-six weeks ended June 29, 2025. Interest expense and amortization of debt issuance costs primarily consisted of \$4.7 million attributable to the July 2024 Notes and \$10.2 million attributable to the September 2024 Notes, with the remainder attributable to interest expense on our \$1.5 million principal obligation owed to T. J Rodgers and finance lease interest expense.

Interest expense was \$5.9 million in the twenty-six weeks ended June 30, 2024, and consisted of \$3.9 million of interest expense relating to our obligation to Carlyle, \$1.0 million relating to our secured credit line, \$0.7 million related to our 2018 Bridge Loan and \$0.3 million attributable to the \$5.0 million revolver balance.

## Other (expense) income, net

Other (expense) income net, for the twenty-six weeks ended June 29, 2025, was income of \$2.5 million. The main drivers consisted of \$3.7 million of gain on the remeasurement of the fair value of derivative liabilities associated with our July 2024 Notes and September 2024 Notes and \$1.6 million of income arising from the change in the fair value of our forward purchase agreements partially offset by \$3.0 million of expense associated with the change in the fair value of our public, private placement and working capital warrants which are accounted for as liabilities.

Other (expense) income, net in the twenty-six weeks ended June 30, 2024 was expense of \$0.6 million. We incurred expenses of \$2.8 million relating to changes in the fair value of our forward purchase agreement and \$1.3 million loss incurred on the conversion of two SAFE Agreements to shares of our common stock and \$0.4 million of other expenses. These expenses were partially offset by \$3.9 million of income arising from changes in the fair value of warrants issued for our common stock.

## Net loss from continuing operations

As a result of the factors discussed above, our net loss from continuing operations for the twenty-six weeks ended June 29, 2025 was \$14.3 million, a \$9.2 million increase/decrease, as compared to a net loss from continuing operations of \$23.5 million for the twenty-six week period ended June 30, 2024.

## Liquidity and capital resources

### Overview

Since inception, we have incurred losses and negative cash flows from operations. We had a net loss from continuing operations of \$14.3 million in the twenty-six week period ended June 29, 2025. As of June 29, 2025, we had an accumulated deficit of \$425.7 million, total debt, including derivative liabilities of \$152.9 million, and cash and cash equivalents (excluding restricted cash) of \$11.1 million which was held for working capital expenditures. We believe our operating losses and negative operating cash flows will continue into the foreseeable future.

Our material cash requirements include cash required to fund our operations, to meet our working capital requirements and to fund our capital expenditures.

We have financed our operations primarily through sales of equity securities, debt, issuance of convertible notes, cash generated from operations and the proceeds from the Mergers. As a result of not timely filing our Annual Report on Form 10-K for the fiscal year ended December 29, 2024, we are not currently eligible to use a registration statement on Form S-3 that would allow us to continuously incorporate by reference our SEC reports into the registration statement, to use “shelf” registration statements to conduct offerings, or to use our at-the-market offering facility until approximately one year from the date we have regained and maintained status as a current filer. Our inability to use Form S-3 may significantly impair our ability to raise necessary capital to fund our operations and execute our strategy. If we seek to access the capital markets through a registered offering during the period of time that we are unable to use Form S-3, we may be required to publicly disclose the proposed offering and the material terms thereof before the offering commences, we may experience delays in the offering process due to SEC review of a Form S-1 registration statement and we may incur increased offering and transaction costs and other considerations. If we are unable to raise capital through a registered offering, we would be required to conduct our equity financing transactions on a private placement basis, which may be subject to pricing, size and other limitations imposed under the Nasdaq rules, or seek other sources of capital. The foregoing limitations on our financing approaches could prevent us from pursuing transactions or implementing business strategies that would be beneficial to our business.

Our cash equivalents are on deposit with major financial institutions. Our cash position raises substantial doubt regarding our ability to continue as a going concern for 12 months following the issuance of the unaudited condensed consolidated financial statements.

We will receive the proceeds from any cash exercise of warrants for shares of our common stock. The aggregate amount of proceeds could be up to \$257.2 million if all the warrants are exercised for cash. However, to the extent the warrants are exercised on a “cashless basis,” the amount of cash we would receive from the exercise of those warrants will decrease. The Private Warrants and Working Capital Warrants, as so identified in our unaudited condensed consolidated financial statements, may be exercised for cash or on a “cashless basis.” The Public Warrants and the Merger Warrants may only be exercised for cash provided there is an effective registration statement registering the shares of common stock issuable upon the exercise of such warrants. If there is not a then-effective registration statement, then such warrants may be exercised on a “cashless basis,” pursuant to an available exemption from registration under the Securities Act. We expect to use any such proceeds for general corporate and working capital purposes, which would increase our liquidity. As of August 11, 2025, the price of our common stock was \$1.55 per share. The weighted average exercise price of the warrants was \$10.02 as of June 29, 2025. We believe the likelihood that warrant holders will exercise their warrants, and therefore the amount of cash proceeds that we would receive is dependent upon the market price of our common stock. If the market price for our common stock remains less than the exercise price, we believe warrant holders will be unlikely to exercise.

## **Debt financings**

### *12% unsecured convertible senior notes*

In July 2024, we issued \$46.0 million of senior unsecured convertible notes (“July 2024 Notes”) to various lenders in connection with the exchange agreement transactions summarized below. Of the July 2024 Notes, \$18.0 million were issued in exchange for the cancellation of existing indebtedness, which amount included \$10.0 million issued to CRSEF Solis Holdings, LLC and its affiliates (“Carlyle”), identified by us as a related party at the transaction date. During the thirteen week period ended June 29, 2025, Carlyle ceased to be a significant shareholder and therefore is no longer deemed a related party with the Company. The July 2024 Notes also include \$18.0 million initially issued to a related party affiliated with the Company’s CEO, Rodgers Massey Revocable Living Trust (“Rodgers Revocable Trust”). The July 2024 Notes bear interest at 12% per annum and mature on July 1, 2029. The interest rate increases by 3% in the event of default. The July 2024 Notes are convertible into shares of our common stock at the option of the holder at a conversion rate initially equal to 595.2381 shares of common stock per \$1,000 principal amount of the July notes. The July 2024 Notes may be declared due and payable at the option of the holder upon an event of default and upon a qualifying change of control event.

### *7% unsecured convertible senior notes*

In September 2024, we issued \$66.8 million of senior unsecured convertible notes to various lenders (the “September 2024 Notes”), \$8.0 million of which were issued to a related party. In December 2024, we issued additional September 2024 Notes for cash proceeds of \$13.0 million, and we issued an additional \$0.2 million of the September 2024 Notes in the thirteen week period ended March 30, 2025. The September 2024 Notes bear interest at 7% per annum and mature on July 1, 2029. The September 2024 Notes are initially convertible into 467.8363 shares of common stock per \$1,000 principal amount of September 2024 Notes. The September 2024 Notes may be declared due and payable at the option of the holder upon an event of default and upon a qualifying change of control event.

### *Loans with related party*

We have a fixed principal balance of \$1.5 million outstanding as of June 29, 2025, due to the Rodgers Revocable Trust, a related party. In the thirteen week period ended June 29, 2025, \$5.0 million was deposited into our Company by the Rodgers Massey Revocable Trust, and on July 10, 2025, this \$5.0 million deposit was converted into the July 2025 Note. See Note 17 – Subsequent Events, “*Issuance of 12% convertible senior unsecured convertible note to related party*”.

### **Forward purchase agreements**

In July 2023, FACT and Legacy Complete Solaria, Inc. entered into FPAs with each of (i) Meteora Special Opportunity Fund I, LP (“MSOF”), Meteora Capital Partners, LP (“MCP”) and Meteora Select Trading Opportunities Master, LP (“MSTO”) (with MSOF, MCP, and MSTO collectively as “Meteora”); (ii) Sandia Investment Management LP (“Sandia”) , and (iii) Polar Multi-Strategy Master Fund (“Polar”) (each individually, a “Seller”, and together, the “FPA Sellers”).

Pursuant to the terms of the FPAs, the FPA Sellers may purchase through a broker in the open market, from holders of Shares other than the Company or affiliates thereof, FACT’s ordinary shares, par value of \$0.0001 per share, (the “Shares”). While the FPA Sellers have no obligation to purchase any Shares under the FPAs, the aggregate total Shares that may be purchased under the FPAs shall be no more than 6,720,000 in aggregate. The FPA Sellers may not beneficially own greater than 9.9% of issued and outstanding Shares following the Mergers as per the Amended and Restated Business Combination Agreement.

The key terms of the forward contracts are as follows:

- The FPA Sellers can terminate the transaction following the Optional Early Termination (“OET”) Date which shall specify the quantity by which the number of shares is to be reduced (such quantity, the “Terminated Shares”). Seller shall terminate the transaction in respect of any shares sold on or prior to the maturity date. The counterparty is entitled to an amount from the seller equal to the number of terminated shares multiplied by a reset price. The reset price is initially \$10.56 (the “Initial Price”) and is subject to a \$5.00 floor.

- The FPAs contains multiple settlement outcomes. Per the terms of the agreements, the FPAs will (1) settle in cash in the event the Company is due cash upon settlement from the FPA Sellers or (2) settle in either cash or shares, at the discretion of the Company, should the settlement amount adjustment exceed the settlement amount. Should the Company elect to settle via shares, the equity will be issued in Complete Solaria Common Stock, with a per share price based on the volume-weighted average price (“VWAP”) Price over 15 scheduled trading days. The magnitude of the settlement is based on the Settlement Amount, an amount equal to the product of: (1) Number of shares issued to the FPA Seller pursuant to the FPA, less the number of Terminated Shares multiplied by (2) the VWAP Price over the valuation period. The Settlement amount will be reduced by the Settlement Adjustment, an amount equal to the product of (1) Number of shares in the Pricing Date Notice, less the number of Terminated Shares multiplied by \$2.00.
- The Settlement occurs as of the Valuation Date, which is the earlier to occur of (a) the date that is two years after the date of the Closing Date of the Mergers (b) the date specified by Seller in a written notice to be delivered to Counterparty at Seller’s discretion (which Valuation Date shall not be earlier than the day such notice is effective) after the occurrence of certain triggering events; and (c) 90 days after delivery by the Counterparty of a written notice in the event that for any 20 trading days during a 30 consecutive trading day-period (the “Measurement Period”) that occurs at least 6 months after the Closing Date, the VWAP Price is less than the then applicable Reset Price.

We entered into four separate FPAs, three of which, associated with the obligation to issue 6,300,000 Shares, were entered into prior to the closing of the Mergers. Upon signing the FPAs, we incurred an obligation to issue a fixed number of shares to the FPA Sellers contingent upon the closing of the Mergers in addition to the terms and conditions associated with the settlement of the FPAs.

On December 18, 2023, we and the FPA Sellers entered into separate amendments to the FPA (the “Amendments”). The Amendments lowered the reset floor price of each FPA from \$5.00 to \$3.00 and allow us to raise up to \$10.0 million of equity from existing stockholders without triggering certain anti-dilution provisions contained in the FPA; provided, the insiders pay a price per share for their initial investment equal to the closing price per share as quoted on the Nasdaq on the day of purchase; provided, further, that any subsequent investments are made at a price per share equal to the greater of (a) the closing price per share as quoted by Nasdaq on the day of the purchase or (b) the amount paid in connection with the initial investment.

On May 7 and 8, 2024, respectively, we entered into and executed separate amendments to the FPAs (collectively the “Second Amendments”) with Sandia (the “Sandia Second Amendment”) and Polar (the “Polar Second Amendment”). The Second Amendments lowered the reset price of each FPA from \$3.00 to \$1.00 per share and amended the VWAP Trigger Event provision to read as “After December 31, 2024, an event that occurs if the VWAP Price, for any 20 trading days during a 30 consecutive trading day-period, is below \$1.00 per Share”. The Sandia Second Amendment is not effective until we execute similar amendments with both Polar and Meteora.

On June 14, 2024, we entered into and executed an amendment to the FPA with Sandia (the “Sandia Third Amendment”). The Sandia Third Amendment set the reset price of each FPA to \$1.00 per share and amended the VWAP Trigger Event provision to read as “After December 31, 2024, an event that occurs if the VWAP Price, for any 20 trading days during a 30 consecutive trading day-period, is below \$1.00 per Share.”

On July 17, 2024, we entered into an amendment to the FPA with Polar pursuant to which we and Polar agreed that Section 2 (Most Favored Nation) of the FPA is applicable to all 2,450,000 shares subject to the FPA.

On July 15, 2025, we and Meteora entered into an amendment to the FPA between Meteora and us, on July 16, 2025, we and Sandia entered into an amendment to the FPA between Sandia and us, and on August 1, 2025, we and Polar entered in an amendment to the FPA between Polar and us (collectively, the “FPA Amendments”).

The FPA Amendments extend the valuation date applicable to the Forward Purchase Agreements (the “Valuation Date”) to the earliest to occur of (a) July 17, 2026, (b) the date specified by Meteora or Sandia, as applicable, in a written notice to be delivered to the Company at their discretion and (c) 90 days after delivery by us of a written notice in the event that for any 20 trading days during a 30 consecutive trading day-period that occurs at least six months after the closing date of the transactions under the Amended and Restated Business Combination Agreement entered into on May 26, 2023, the applicable volume-weighted average price (“VWAP Price”) is less than the then applicable reset price, provided that a registration statement was effective and available for the entire measurement period and remains continuously effective and available during the entire 90 day notice period.

The FPA Amendments further amend the definition of “Settlement Amount Adjustment” to provide that if the expected Settlement Amount (as defined in the FPA Amendments) determined by the VWAP Price over the 15 scheduled trading days ending on but excluding the valuation date exceeds the Settlement Amount Adjustment, then the Settlement Amount Adjustment shall be deemed to be zero, and that if the Settlement Amount Adjustment exceeds the Settlement Amount, then the Settlement Amount Adjustment shall be paid, at our option, in cash or shares of the our common stock.

The FPA Amendments also amend the definition of “Cash Settlement Payment Date” to provide that if the Settlement Amount Adjustment exceeds the Settlement Amount, we shall remit to the applicable seller the difference between (i) the Settlement Amount Adjustment and (ii) the Settlement Amount. The FPA Amendments further provide that the Settlement Amount will be used solely as a calculation mechanism to determine any liability we may owe to the applicable seller via the Settlement Amount Adjustment, and notwithstanding anything to the contrary, the applicable seller shall not be required to remit the Settlement Amount to us or return any portion of the Prepayment Amount.

## *Simple agreement for future equity (“SAFE”) agreements*

### *First SAFE*

On January 31, 2024, we entered into a SAFE (“First SAFE”) with the Rodgers Massey Freedom and Free Markets Charitable Trust (the “Purchaser”) in connection with the Purchaser investing \$1.5 million in the Company. The First SAFE is convertible into shares of our common stock, par value \$0.0001 per share, upon the initial closing of a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which we issue and sell common stock at a fixed valuation (an “Equity Financing”), at a per share conversion price which is equal to the lower of (i) (a) \$53.54 million divided by (b) our capitalization immediately prior to such Equity Financing (such conversion price, the “SAFE Price”), and (ii) 80% of the price per share of our common stock sold in an Equity Financing transaction. If we consummate a change of control prior to the termination of the First SAFE, the Purchaser will be automatically entitled to receive a portion of the proceeds of such liquidity event equal to the greater of (i) \$1.5 million and (ii) the amount payable on the number of shares of our common stock equal to (a) \$1.5 million divided by (b)(1) \$53.54 million divided by (2) our capitalization immediately prior to such liquidity event (the “Liquidity Price”), subject to certain adjustments as set forth in the First SAFE. The First SAFE was convertible into a maximum of 1,431,297 shares of our common stock, assuming a per share conversion price of \$1.05, which is the product of (i) \$1.31, the closing price of our common stock on January 31, 2024, multiplied by (ii) 80%.

On April 21, 2024, we entered into an amendment (“First SAFE Amendment”) that converted the First SAFE investment of \$1.5 million into 4,166,667 shares of our common stock based on a conversion price of \$0.36 per share, defined in the First SAFE Amendment as the product of (i) \$0.45, the closing price of our common stock on April 19, 2024, multiplied by (ii) 80%. Upon conversion, we recorded a debit to SAFE Agreement of \$1.5 million, a credit to Additional paid-in-capital of \$1.9 million and recognized expense of \$0.4 million within Other (expense) income, net in results of operations in the thirteen and twenty six week periods ended June 30, 2024.

### *Second SAFE*

On February 15, 2024, we entered into a second SAFE (the “Second SAFE”) with the Purchaser, in connection with the Purchaser investing \$3.5 million in the Company. The Second SAFE did not accrue interest. The Second SAFE was initially convertible into shares of our common stock upon the initial closing of an Equity Financing transaction at a per share conversion price which was equal to the lower of (i) the Second SAFE Price, and (ii) 80% of the price per share of our common stock sold in such Equity Financing. If we consummated a change of control prior to the termination of the Second SAFE, the Purchaser would have been automatically entitled to receive an amount equal to the greater of (i) \$3.5 million and (ii) the amount payable on the number of shares of our common stock equal to \$3.5 million divided by the Liquidity Price, subject to certain adjustments as set forth in the Second SAFE. The Second SAFE was convertible into a maximum of 3,707,627 shares of our common stock, assuming a per share conversion price of \$0.94, which is the product of (i) \$1.18, the closing per share price of our common stock on February 15, 2024, (ii) 80%.

On April 21, 2024, we entered into an amendment (“Second SAFE Amendment”) that converted the Second SAFE investment of \$3.5 million into 9,722,222 shares of our common stock based on a conversion price of \$0.36 per share, defined in the Second SAFE Amendment as the product of (i) \$0.45, the closing price of our common stock on April 19, 2024, multiplied by (ii) 80%. Upon conversion, we recorded a debit to SAFE Agreement of \$3.5 million, a credit to Additional paid-in-capital of \$4.4 million and recognized expense of \$0.9 million within Other (expense) income, net in our results of operations in the thirteen and twenty six week periods ended June 30, 2024.

### *Third SAFE*

On May 13, 2024, we entered into a third SAFE (the “Third SAFE”) with the Purchaser, in connection with the Purchaser investing \$1.0 million in the Company. The Third SAFE is convertible into shares of our common stock upon the initial closing of a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues and sells shares of its common stock in an Equity Financing transaction, at a per share conversion price which is equal to 50% of the price per share of our common stock sold in such Equity Financing transaction. If we consummate a change of control prior to the termination of the Third SAFE, the Purchaser will be automatically entitled to receive a portion of the proceeds of such liquidity event equal to \$1.0 million, subject to certain adjustments as set forth in the Third SAFE. The Third SAFE is convertible into a maximum of 2,750,000 shares of our common stock, assuming a per share conversion price of \$0.275, which is the product of (i) \$0.55, the closing price of our common stock on May 13, 2024, multiplied by (ii) 50%. Given that the SAFE could be settled in cash or a variable number of shares, we have accounted for the instrument as a liability at its fair value.

As June 29, 2025, we estimated the fair value of the Third SAFE at \$0.4 million based upon the assumptions disclosed in Note 4 – Fair Value Measurements to our unaudited condensed consolidated financial statements.

#### Cash flows for the twenty-six weeks ended June 29, 2025 and June 30, 2024

The following table summarizes our cash flows from operating, investing, and financing activities for the twenty-six weeks ended June 29, 2025 and June 30, 2024 (in thousands):

	<b>Twenty-Six Weeks Ended</b>	
	<b>June 29, 2025</b>	<b>June 30, 2024</b>
Net cash used in operating activities from continuing operations	\$ (7,050)	\$ (7,637)
Net cash used in investing activities from continuing operations	—	(883)
Net cash provided by financing activities from continuing operations	4,797	7,760
Net decrease in cash, cash equivalents and restricted cash	(2,253)	(739)

#### *Cash flows from operating activities*

Net cash used in operating activities from continuing operations of \$7.1 million in the twenty-six weeks ended June 29, 2025 was due to net loss from continuing operations of \$14.3 million offset by \$15.6 million of favorable noncash adjustments and \$8.5 million of cash outflows from changes in operating assets and liabilities. Significant movement in non-cash adjustments consisted of favorable non-cash adjustments of \$9.3 million of amortization of debt issuance costs, \$4.0 million of stock-based compensation, \$3.0 million of depreciation and amortization, \$3.0 million for the change in the fair value of warrant liabilities, \$1.2 million for the provision of credit losses and \$0.6 million of non-cash lease expense, partially offset by \$3.7 million gain on the change in the fair value of derivative liabilities and \$1.6 million change in the fair value of forward purchase agreement liabilities and net other adjustments of \$0.2 million. Cash outflows from changes in operating assets of \$8.5 million consisted of a \$14.5 million increase in accounts receivable, a \$25.7 million increase in contract assets, a \$1.2 million increase in prepaid expenses and other current assets and noncurrent assets, a \$2.3 million decrease in accrued expenses and other liabilities and a \$0.7 million decrease in the operating lease obligations, partially offset by an \$15.6 million decrease in inventories, \$9.3 million increase in accounts payable and a \$11.0 million increase in contract liabilities.

Net cash used in operating activities from continuing operations of \$7.6 million for the twenty-six weeks ended June 30, 2024 was primarily due to the net loss from continuing operations, net of tax of \$23.5 million partially offset by non-cash charges of \$12.3 million and net cash inflows of \$3.6 million from changes in our operating assets and liabilities. Non-cash charges in our operating results consisted of \$1.6 million of non-cash expense in connection with warrants issued for vendor services, a \$2.8 million adjustment to our forward purchase agreement liabilities, \$2.6 million stock-based compensation expense, \$3.9 million accretion of interest attributable to the CS Solis Debt, \$2.0 million of other non-cash interest, \$1.3 million loss arising from the loss on conversion of two SAFE Agreements to shares of our common stock, \$0.7 million of depreciation and amortization, \$0.3 million of non-cash lease expense, and \$0.9 million of provision for credit losses, partially offset by \$2.6 million of income from the change in the fair value of our warrant liabilities and a \$1.2 million decrease in our reserve for excess and obsolete inventory. The main drivers of net cash inflows derived from the changes in operating assets and liabilities were related to a decrease in accounts receivable, net of \$12.4 million and a decrease in inventories of \$2.3 million, partially offset by an increase in prepaid and other current assets of \$1.4 million, a decrease in accounts payable of \$2.1 million, a decrease in accrued expenses and other liabilities of \$6.1 million, a decrease in operating lease liabilities of \$0.3 million and a decrease in contract liabilities of \$1.2 million.

### ***Cash flows from investing activities***

Net cash used in investing activities from continuing operations was zero and \$0.9 million for the twenty-six weeks ended June 29, 2025, and June 30, 2024, respectively, and attributable to additions to internal-use-software.

### ***Cash flows from financing activities***

Net cash provided by financing activities from continuing operations was \$4.8 million for the twenty-six weeks ended June 29, 2025 and consisted of \$5.0 million deposit received from a related party and we subsequently issued a July 2025 Note to such related party (See Note 17 – Subsequent Events, “*Issuance of 12% convertible senior unsecured convertible note to related party*”), \$0.2 million in proceeds from the issuance of September 2024 Notes, and \$0.6 million in proceeds from the exercise of stock options and warrants in exchange for the issuance of shares of our common stock partially offset by \$1.0 million of finance leases payments.

Net cash provided by financing activities from continuing operations of \$7.8 million for the twenty-six weeks ended June 30, 2024 was primarily due to \$6.0 million in net proceeds from the issuance of SAFE agreements to a related party, \$2.0 million deposit received from a related party in connection with a financing transaction, and less than \$0.1 million in net proceeds from the exercise of stock options, partially offset by a \$0.3 million final payment on the settlement of the a note payable.

### **Emerging growth company status**

Section 102(b)(1) of the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable.

Complete Solaria is an “emerging growth company” as defined in Section 2(a) of the Securities Act and has elected to take advantage of the benefits of the extended transition period for new or revised financial accounting standards. Following the closing of the Mergers, our Post-Combination Company remains an emerging growth company until the earliest of (i) the last day of the fiscal year in which the market value of common stock that is held by non-affiliates exceeds \$700 million as of the end of that year’s second fiscal quarter, (ii) the last day of the fiscal year in which we has total annual gross revenue of \$1.235 billion or more during such fiscal year (as indexed for inflation), (iii) the date on which we have issued more than \$1.0 billion in non-convertible debt in the prior three-year period, or (iv) the last day of the fiscal year ending after the fifth anniversary of our IPO. Complete Solaria expects to continue to take advantage of the benefits of the extended transition period, although it may decide to early adopt such new or revised accounting standards to the extent permitted by such standards. This may make it difficult or impossible to compare our financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

### ITEM 4. CONTROLS AND PROCEDURES

#### *Evaluation of disclosure controls and procedures*

As of the end of the period covered by this Quarterly Report on Form 10-Q, we conducted an evaluation, under the supervision and with the participation of our Chief Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"). Based on this evaluation, our Chief Executive Officer and Principal Financial Officer concluded that, as of June 29, 2025, such disclosure controls and procedures were not effective, solely as a result of previously reported material weaknesses.

Notwithstanding the foregoing, there were no changes to previously issued financial statements. Our Chief Executive Officer and Principal Financial Officer believe that the interim unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial condition, results of operations and cash flows as of and for the periods presented in accordance with U.S. GAAP.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses are as follows:

The Company did not maintain controls to execute the criteria established in the COSO Framework for (i) the control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication, and (v) monitoring activities.

Each of the control deficiencies identified below constitute material weaknesses, either individually or in the aggregate.

*Control Environment.* The Company did not maintain an effective control environment and identified the following material weakness: the Company lacked appropriate policies and resources to develop and operate effective internal control over financial reporting and a lack of appropriate and consistent IT policies given the significant volume of financially relevant IT changes, which contributed to the Company's inability to properly analyze, record and disclose accounting matters timely and accurately.

This control environment material weakness also contributed to the other material weaknesses identified below.

*Risk Assessment.* The Company did not design and implement an effective risk assessment and identified a material weakness relating to: (i) identifying, assessing, and communicating appropriate objectives, (ii) identifying and analyzing risks to achieve these objectives, and (iii) identifying and assessing changes in the business that could impact the system of internal controls.

*Control Activities.* The Company did not design and implement effective control activities and identified the following material weakness:

- Ineffective design and operation of certain control activities due to significant personnel changes throughout 2024. Control deficiencies, which aggregate to a material weakness, occurred within substantially all areas of financial reporting.

*Information and Communication.* The Company did not design and implement effective information and communication activities and identified the following material weaknesses:

- The Company did not design and maintain effective general information technology controls over logical access and program change management for our key information systems used to support the financial reporting process. Specifically, management did not maintain effective controls to ensure proper segregation of duties related to user administration and other privileged access functions and in implementing program changes in information systems. Due to the pervasive nature of these deficiencies, business process controls that are dependent upon information from these systems were also not effective.
- The Company did not have adequate processes and controls for communicating information among the accounting, finance, operations, and legal departments, necessary to support the proper functioning of internal controls.

*Monitoring Activities.* The Company did not design and implement effective monitoring activities and identified the following material weaknesses: (i) failure to adequately monitor compliance with accounting policies, procedures and controls related to substantially all areas of financial reporting; and (ii) failure to properly select, develop and perform ongoing evaluations of the components of internal controls (including the monitoring of service providers' control environments).

These material weaknesses described in the paragraphs above contributed to material accounting errors identified and corrected during the audit of the Company's financial statements. If we fail to adequately remediate these material weaknesses, there could be material misstatements that may not be prevented or detected.

*Remediation Plan and Status.* As previously described in Part II, Item 9A of our Annual Report on Form 10-K for the fiscal year ended December 29, 2024, management is in the process of implementing its remediation plan. The Company is committed to remediating the material weaknesses identified above, fostering continuous improvement in internal controls and enhancing its overall internal control environment. Since identifying the above material weaknesses, the Company has begun the process of implementing the remediation activities described below. The Company believes that these activities, when fully implemented, should remediate the identified material weaknesses and strengthen its internal control over financial reporting. These remediation efforts remain ongoing, and additional remediation initiatives may be necessary.

Accordingly, as management continues to monitor the effectiveness of our internal control over financial reporting, the Company will continue to perform additional procedures prescribed by management, including the use of certain manual mitigating control procedures and the employment of additional tools and resources deemed necessary, to ensure that our future consolidated financial statements are fairly stated in all material respects. The following planned remediation activities highlight the Company's commitment to remediating the identified material weaknesses:

- Hire finance and accounting professionals with the appropriate level of experience and training necessary to develop, maintain and improve our accounting policies, procedures and internal controls, utilize third-party consultants and internal audit professionals to enhance the control environment, and continue to hire other qualified finance and accounting professionals.
- Provide, and continue to provide, training for employees regarding their responsibilities related to the performance or oversight of internal controls.
- Reinforce the importance of communication between the operations, accounting, and legal departments regarding key terms of, and changes or modifications to, customer, debt, equity, legal and other contracts by establishing controls requiring finance department approval of certain non-standard terms and agreements.
- Begin the implementation of a process to reevaluate, revise and improve our Sarbanes-Oxley compliance program, including governance, risk assessment, testing methodologies and corrective action. The Company plans to enhance our risk assessment procedures and conduct a comprehensive risk assessment.
- Develop, and continue to develop, internal control documentation over financial processes and related disclosures. The Company plans to continue to design and implement control activities to mitigate risks identified and test the operating effectiveness of such controls.

If we are not able to maintain effective internal control over financial reporting and Disclosure Controls, or if material weaknesses are discovered in future periods, a risk that is significantly increased in light of the complexity of our business, we may be unable to accurately and timely report our financial position, results of operations, cash flows or key operating metrics, which could result in late filings of the annual and quarterly reports under the Exchange Act, restatements of financial statements or other corrective disclosures, an inability to access commercial lending markets, defaults under its credit facilities and other agreements, or other material adverse effects on our business, reputation, results of operations, financial condition or liquidity.

The material weaknesses will not be considered remediated, however, until the applicable controls operate for a sufficient period of time, and management has concluded, through testing, that these controls are operating effectively.

#### ***Changes in internal control over financial reporting***

Other than the remediation efforts described above, there were no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) that have occurred during the twenty-six period ended June 29, 2025, that have materially impacted, or are reasonably likely to materially impact, our internal control over financial reporting.

#### ***Limitations on effectiveness of controls and procedures***

We do not expect that our Disclosure Controls will prevent all errors and all instances of fraud. Disclosure Controls, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the Disclosure Controls are met. Further, the design of Disclosure Controls must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all Disclosure Controls, no evaluation of Disclosure Controls can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of Disclosure Controls also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

The information with respect to legal proceedings is set forth under Note 12 – Commitments and Contingencies, in the accompanying unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, and is incorporated herein by reference.

### ITEM 1A. RISK FACTORS

We are subject to a number of risks that if realized could adversely affect our business, strategies, prospects, financial condition, results of operations and cash flows. Some of the more significant risks and uncertainties we face include those summarized below. The summary below is not exhaustive and is qualified by reference to the full set of risk factors set forth in Item 1A. "Risk Factors" in our Annual Report on Form 10-K filed on April 30, 2025. Please carefully consider all of the information in this Quarterly Report and our Annual Report on Form 10-K filed on April 30, 2025 (including, without limitation, the full set of risks set forth in Item 1A. "Risk Factors" of our Annual Report on Form 10-K filed on April 30, 2025, and the disclosures in this Quarterly Report included in Note 1(b) – Liquidity and going concern – of the notes to the financial statements contained in this Quarterly Report and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and capital resources" section of this Quarterly Report) and in our other filings with the Securities and Exchange Commission before making an investment decision regarding us.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description	Form	File Number	Exhibit	Filing Date
2.1	<a href="#">Amended and Restated Business Combination Agreement, dated as of May 26, 2023, by and among Freedom Acquisition I Corp., Jupiter Merger Sub I Corp., Jupiter Merger Sub II LLC, Complete Solar Holding Corporation, and The Solaria Corporation</a>	S-4	333-269674	2.1	May 31, 2023
2.2	<a href="#">Agreement and Plan of Merger, dated as of October 3, 2022, by and between Complete Solar Holding Corporation, Complete Solar Mideo, LLC, Complete Solar Merger Sub, Inc., The Solaria Corporation, and Fortis Advisors LLC</a>	S-4	333-269674	2.4	February 10, 2023
2.3	<a href="#">Asset Purchase Agreement dated September 19, 2023, by and among Complete Solaria, Inc., SolarCA, LLC, and Maxeon Solar Technologies, Ltd.</a>	8-K	001-40117	2.1	2023-09-21
3.1	<a href="#">Certificate of Incorporation of Complete Solaria</a>	8-K	001-40017	3.1	2023-07-21
3.2	<a href="#">Bylaws of Complete Solaria</a>	8-K	001-40017	3.2	2023-07-21
4.1	<a href="#">Form of Replacement Warrant</a>	8-K	001-40117	4.1	2023-10-12
4.2	<a href="#">Form of First Amendment to Replacement Warrant</a>	8-K	001-40117	4.2	2023-10-12
4.3	<a href="#">Amended and Restated Registration Rights Agreement, dated July 18, 2023, by and among the Company and certain other stockholders party thereto</a>	8-K	001-40117	4.1	2023-07-24
4.4	<a href="#">Warrant Agreement, dated February 25, 2021, by and between the Company and Continental Stock Transfer &amp; Trust Company, as warrant agent</a>	8-K	001-40117	4.1	2021-03-2
4.5	<a href="#">Indenture, dated September 16, 2024, between the Company and U.S. Bank Trust Company, National Association</a>	8-K	001-40117	4.1	2024-09-26
4.6	<a href="#">Form of 7.0% Convertible Senior Note due 2029</a>	8-K	001-40117	4.2	2024-09-26
4.7	<a href="#">Exchange Agreement, dated July 1, 2024, among the Company and the purchasers party thereto</a>	8-K	001-40117	10.1	2024-07-08
4.8	<a href="#">Form of SAFE (2024)</a>	8-K	001-40017	10.1	2024-02-16
31.1*	<a href="#">Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				
31.2*	<a href="#">Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				
32.1**	<a href="#">Certification of Principal Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>				
32.2**	<a href="#">Certification of Principal Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>				
101*	Inline XBRL Document Set for the unaudited condensed consolidated financial statements and accompanying notes in the Condensed Consolidated Financial Statements and Supplemental Details				
104*	Cover Page Interactive Data File - formatted in Inline XBRL and included as Exhibit 101				

\* Filed herewith

\*\* Furnished herewith

## 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.

Complete Solaria, Inc.

Date: August 13, 2025

By: /s/ THURMAN J. RODGERS  
Thurman J. Rodgers  
Chief Executive Officer and Executive Chairman

Date: August 13, 2025

By: /s/ JEANNE NGUYEN  
Jeanne Nguyen  
Principal Financial Officer

## CERTIFICATION

I, Thurman J. Rodgers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Complete Solaria, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2025

By: /s/ THURMAN J. RODGERS  
Thurman J. Rodgers  
Chief Executive Officer and Executive Chairman  
(Principal Executive Officer)

## CERTIFICATION

I, Jeanne Nguyen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Complete Solaria, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2025

By: /s/ JEANNE NGUYEN

Jeanne Nguyen

Principal Financial Officer

*(Principal Financial Officer and Principal Accounting Officer)*

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Complete Solaria, Inc. (the "Company") for the period ended June 29, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2025

By: /s/ THURMAN J. RODGERS  
Thurman J. Rodgers  
Chief Executive Officer and Executive Chairman  
*(Principal Executive Officer)*

**CERTIFICATION OF CHIEF OPERATING OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Complete Solaria, Inc. (the "Company") for the period ended June 29, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2025

By: /s/ JEANNE NGUYEN  
Jeanne Nguyen  
Principal Financial Officer  
*(Principal Financial Officer and Principal Accounting Officer)*