

Please see our periodic reports filed with the SEC and our quarterly earnings presentations available on our website at <https://investors.sunpower.com/sec-filings/sec-filing>

Residential and Light commercial ("RLC")

Residential and Light commercial refers to solar energy solutions in North America region consisting of direct sales of turn key systems and services to our residential customers, sales to our third party dealer network, storage solutions, cash sales, loan, and long-term leases to end customers, and sales to our resellers.

C&I solutions ("CIS")

C&I solutions includes direct sales of turn-key EPC services to our commercial customers, sale of energy under Power purchase agreements, storage solutions, and sales of post installation operation & maintenance services.

Prior period numbers

For all the periods prior to the Maxeon Spin-Off, the financial results are based on our carveout of amounts attributable to the Company after giving effect to Maxeon Solar as discontinued operations. The financial information included herein is unaudited and reflect adjustments, including carveout adjustments, which are, in the opinion of management, necessary for a fair statement of the results for the periods presented.

Total revenue

Total Revenue refers to sales of our complete power generation solutions to our customers including solar power systems and components, storage, software and services. It represents revenue in our RLC segment that offers its solutions in three distinct categories under Residential, Light Commercial and New Homes and we generally recognize revenue at the point-in-time when such systems are placed in service.

Other Operating expenses

Includes expenses incurred on others research and development (excluding Digital and products), and other general and administrative expenses.

SunPower share of net retained value (including leases)

Represents SunPower's share of the remaining net cash flows of leases expected to be received during the contracted lease term (typically 20 or 25 years), plus an estimate of value of the renewal term net cash flows following expiration of the contracted period, less non-recourse debt. Net cash flows during the contracted period are net of distributions to tax equity partners and maintenance and servicing costs. For the renewal value, we assume either a 10-year renewal period (for our 20-year lease contracts) or a five-year renewal period (for our 25-year lease contracts), in each case assuming a 30-year customer relationship, at a lease rate equal to 90% of the customer's contractual rate in effect at the end of the initial contract term. Estimated maintenance and servicing costs during the renewal period are deducted in calculating net cash flows. All figures are calculated on a net present value basis using a 5.5 - 5.75% discount rate.

Net recourse debt

Net recourse debt is calculated as being the difference between the Total recourse debt, defined as the Convertible Debt and CEDA loan post MAXN spin-off, and the cash and cash equivalents. Net recourse debt therefore excludes both (i) restricted cash and (ii) current mark-to-market valuation of the Enphase shares portfolio. Net recourse debt also excludes Asset-backed Loan, Loan for Safe Harbor Inventory, and vendor financing debt, that are fully secured with the underlying assets collateralized.

Enphase

The common stock received is marked to market periodically based on prevailing stock prices at the end of each period.

Other income (expense)

Other income (expense) is calculated as a derived number for modelling purposes only and includes the impact of the unaudited carve out adjustments.

Diluted Weighted average shares (Non-GAAP)

Annual diluted weighted average shares may differ from the quarterly weighted shares as it is calculated based on net income/loss available to the shareholders on a full year basis.